

1944, urging enactment of House bill 4184; to the Committee on Military Affairs.

5357. Also, resolution of the U. A. Steamfitters' Union, Local No. 590, at San Francisco, adopted March 17, 1944, urging enactment of House bills 2017 and 375, and Senate bills 65 and 910, regarding money grant to all blind persons; to the Committee on Ways and Means.

5358. Also, resolution of the International Longshoremen's and Warehousemen's Union, Local No. 10, at San Francisco, adopted March 15, 1944, regarding war prisoners; to the Committee on Military Affairs.

5359. By the SPEAKER: Petition of Mrs. Eduarda Griswold Keith, requesting an investigation of certain frauds and conspiracies in the State of Washington; to the Committee on the Judiciary.

5360. Also, petition of the secretary, American Bar Association, Chicago, Ill., petitioning consideration of their resolution with reference to constitutional principles for world order; to the Committee on Foreign Affairs.

5361. Also, petition of the mayor of Athens, Tenn., petitioning consideration of their resolution with reference to the Tennessee Valley Authority; to the Committee on Appropriations.

SENATE

TUESDAY, MARCH 28, 1944

(Legislative day of Monday, February 7, 1944)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, under the all-embracing canopy of Thy goodness and mercy which have followed us all the days of our lives, we come as children in our Father's house. Beneath all diversities of gifts and of thought we seek the common unity which binds us together with the cords of Thy brooding love which faileth never. Away from all the divisive forces of the world about us, which tear and separate and push apart, we would kneel in penitence at the altar of the one God whose love shed abroad in our hearts alone can send us out on our differing and often difficult paths, hoping all things, believing all things, enduring all things.

Steel our hearts as we go on our way, with set and steadfast face, to be stabbed by thorny crowns, to bow in Gethsemane gardens, to climb our own Calvaries, in the trust and peace and joy of that Holy One who in the shadow of His cross sang a joyful hymn of faith and praise. With obedient hearts may we listen as that One who overcame the world whispers to ears that can hear:

"Every morning lean thine arms awhile
Upon the window sill of heaven
And gaze upon thy Lord;
Then, with the vision in thine heart,
Turn strong to meet the day."

Amen.

THE JOURNAL

On request of Mr. McKELLAR, and by unanimous consent, the reading of the

Journal of the proceedings of the calendar day Friday, March 24, 1944, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 24, 1944, the President had approved and signed the following acts:

S. 1349. An act to authorize the Secretary of the Navy to convey to the city of New York certain lands within the Brooklyn Navy Yard in the city of New York; and

S. 1653. An act to provide titles for heads of staff departments of the United States Marine Corps, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, notified the Senate that Hon. JOHN W. McCORMACK, a Representative from the State of Massachusetts, had been elected Speaker pro tempore of the House of Representatives during the absence of the Speaker.

The message announced that the House had passed without amendment the bill (S. 662) to authorize pensions for certain physically or mentally helpless children, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 234) to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of further regulating interstate and foreign commerce in tobacco, and for other purposes.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3231) to amend the act of April 29, 1943, to authorize the return to private ownership of Great Lakes vessels and vessels of 1,000 gross tons or less, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BLAND, Mr. RAMSPECK, Mr. MANSFIELD of Texas, Mr. WELCH, and Mr. O'BRIEN of New York were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3592. An act to amend the Judicial Code in respect to the original jurisdiction of the district courts of the United States in certain cases, and for other purposes;

H. R. 4099. An act to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913;

H. R. 4443. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes; and

H. J. Res. 260. Joint resolution providing for the employment of Government employees for folding speeches and pamphlets, House of Representatives.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 75) providing for an adjournment of Congress from Thursday, March 30, 1944, to Wednesday, April 12, 1944, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1640. An act to authorize the Secretary of the Navy to accept gifts and bequests for the United States Naval Academy, and for other purposes;

S. 1647. An act to amend the act approved March 2, 1895, as amended; and

H. J. Res. 234. Joint resolution to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of further regulating interstate and foreign commerce in tobacco, and for other purposes.

FIRST DEFICIENCY APPROPRIATIONS

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of House bill 4346, making appropriations to supply deficiencies, and so forth.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4346) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. McKELLAR. I now yield the floor for the presentation of routine and other matters, with the understanding that consideration of the appropriation bill will be resumed as soon as possible.

VIEWS OF EX-SENATOR NORRIS ON SOLDIERS' VOTE BILL

Mr. GUFFEY. Mr. President, I should like to read a letter which I received yesterday from a former distinguished Member of this body who served long and faithfully in both branches of Congress. The letter is as follows:

McCook, NEBR., March 20, 1944.

Hon. JOSEPH F. GUFFEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GUFFEY: I have just received a copy of your address delivered in the Senate on March 13, 1944, on the soldier-voting proposition.

I agree with every word you have said. It seems to me the Senate has taken an unwise and a very backward step in passing this so-called soldier-vote bill. As I see it, the result will be that our soldiers fighting in

every part of the world for the principles of freedom and justice will be practically disfranchised by the failure of Congress to give them a workable and practicable law so that they can cast their votes. I feel very deeply on this subject. I regret to say that the Republican Party in the Senate has lined up practically solid in favor of this bogus voting law. When this solid Republican vote is united with that fraction of the Democratic vote which apparently would rather strike at Roosevelt than to win a battle against our enemies, they constitute a majority of the Senate. I cannot understand how men, honest and patriotic, can square their position on this question by voting for such an ineffective law as this one is bound to be, as I see it.

If the soldier is entitled to a vote, it should be given him without asking him how or for whom he is going to vote. It is fundamentally wrong to withhold this vote from him on the ground that he might vote for President Roosevelt. I think the Senator from Oregon let the cat out of the bag when on the floor of the Senate he said the matter could all be ended in a few minutes if Roosevelt would take himself out of the contest.

Yours very truly,

G. W. NORRIS.

INVITATION TO CONGRESS TO VISIT THE BRITISH PARLIAMENT

The VICE PRESIDENT laid before the Senate an invitation to visit Parliament from the presiding officers of the House of Lords and the House of Commons of Great Britain, which was read and referred to the Committee on Foreign Relations, as follows:

WESTMINSTER, March 14, 1944.

DEAR MR. VICE PRESIDENT WALLACE: Each of the two Houses of Parliament, over which we respectively preside, today passed a resolution that the House, desiring to promote a closer association between the British Parliament and the Congress of the United States of America, requested us on its behalf to invite the Congress of the United States to send a delegation of its Members to visit Parliament as early a date as may be convenient.

We have the honor to transmit this invitation accordingly, and to request you to communicate the invitation to the House over which you preside, in the hope that this proposal, which was adopted unanimously and with enthusiasm both by the House of Lords and by the House of Commons, will commend itself to both Houses of Congress.

Yours sincerely,

SIMON, Lord Chancellor.

D. CLIFTON BROWN, Speaker.

The Honorable HENRY A. WALLACE,

Vice President of the United States of America, Washington, D. C.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

POST OFFICE BRANCHES AND STATIONS

A letter from the Postmaster General, transmitting a draft of proposed legislation to remove restrictions on establishing post office branches and stations (with an accompanying paper); to the Committee on Post Offices and Post Roads.

CREDIT OPERATIONS UNDER THE INDIAN OFFICE

A letter from the Acting Secretary of the Interior, reporting, pursuant to law, on certain credit operations transacted under the Office of Indian Affairs (with accompanying papers); to the Committee on Indian Affairs.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT TO THE VIRGIN ISLANDS

A letter from the Acting Secretary of the Interior, transmitting a draft of proposed

legislation to extend the provisions of the Selective Training and Service Act of 1940, as amended, to the Virgin Islands (with an accompanying paper); to the Committee on Military Affairs.

FLOOD-CONTROL SURVEY, SANTA YNEZ RIVER, CALIF.

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, report of a survey of the Santa Ynez River watershed in California (with an accompanying report); to the Committee on Commerce.

REPORT OF THE DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, the Annual Report of the Department of Commerce for the fiscal year 1943 (with an accompanying report); to the Committee on Commerce.

REPORTS OF THE LIBRARIAN OF CONGRESS AND REGISTER OF COPYRIGHTS

A letter from the Librarian of Congress, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1943, together with the report of the Register of Copyrights for the same period (with an accompanying report); to the Committee on the Library.

REPORT ON ACTIVITIES OF THE SMALLER WAR PLANTS CORPORATIONS (S. Doc. No. 178)

A letter from the Chairman of the War Production Board, transmitting, pursuant to law, the tenth report of his operations under the act to mobilize the productive facilities of small business (with an accompanying report); to the Committee on Banking and Currency and ordered to be printed.

REPORT OF THE BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, Boy Scouts of America, transmitting, pursuant to law, the Thirty-fourth Annual Report of the Boy Scouts of America for the year 1943 (with an accompanying report); to the Committee on Education and Labor.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of the Departments of the Treasury, War, Navy, and Commerce; Federal Security Agency, and Office for Emergency Management (2) which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of Vermont; to the Committee on Commerce:

"House Joint Resolution 12

"Joint resolution relating to acquirement of lands within this State by Federal instrumentalities

"Whereas the government of Vermont has strong reason to believe that the sovereignty and continued existence of this State is jeopardized by the proposal of the Corps of Engineers, United States Army, and the Federal Power Commission, acting under the amended flood-control law, to seize, in the name of the Central Government, a river and its valley in this State to provide, under the guise of flood control, a make-work project after the war; and

"Whereas the original Federal policy respecting flood control was established by the

Congress in 1936 after extensive hearings before the Commerce Committee of the Senate; and

"Whereas this policy, as enunciated in the 1936 flood-control law, provided for a joint enterprise by the National Government and individual States, or a group of States joined by interstate compact; and this policy safeguarded the functions, duties, rights, and natural resources of the individual States; and

"Whereas in 1937, at the request of the Federal administration, the Commonwealth of Massachusetts, and the States of Connecticut, New Hampshire, and Vermont negotiated, and each ratified, an interstate compact for control of the Connecticut River by means of flood-control reservoirs as authorized by the Flood Control Act, which compact was approved by the Chief Counsel of the War Department and subsequently was extolled by the Secretary of War as a model for use on interstate streams; and

"Whereas as a part of the compact, the four States provided from their own funds all the moneys required for the acquisition of all lands and rights needed at the dams and reservoirs, and for discharging each and all of their other duties required by the flood-control law; and

"Whereas after the compact had been submitted to Congress for ratification, although the Governors of the four States in interest on numerous occasions pressed for congressional action, Congress was never permitted to vote on ratification, despite the fact that the committee of each House had reported favorably; and

"Whereas while the compact was still pending before the Congress in June 1938, the functions, duties, and rights of States in flood-control matters were taken from them and their natural right to their nonnavigable streams seized by an eleventh hour amendment passed as the Congress was about to adjourn; and

"Whereas this amendment directing the Secretary of War to acquire in the name of the United States, all lands and rights needed for flood-control projects consisting of dams and reservoirs despite any prohibition against such action in any other law, and without obtaining the consent of the State or States affected, was opposed by the Commerce Committee; and

"Whereas although this amendment seriously affects the interest of every State in the Union, and threatens the statehood of each by nationalizing one of its natural resources, and by robbing it of any voice in determining developments within its borders, no notice was given to the Governors or to other State officers that such an action was contemplated by the forces of the administration; and

"Whereas both the manner of introduction of the amendment and its timing precluded States from registering their protests; and

"Whereas until the passage of this amendment to the flood-control law there had never been any question of the authority in the individual States east of the Mississippi to control their intrastate nonnavigable streams and rivers, nor of like authority in the States west of the Mississippi except in areas of Federal ownership; and

"Whereas the flood-control law as now amended, if it be within the letter of the Constitution operates to destroy its spirit by violating the fundamental rights of the States, which, under its protection, joined together to make this Nation; and

"Whereas it was the studied intention of the framers of the Constitution to provide for the continued integrity of the States making up the Union; and

"Whereas it is true now as it was in the days of our fathers, that the continued sovereignty of the States, as a check against

overreaching central authority, is as necessary both to preserve the liberties of the people and to guarantee continuation of free government in the Republic, as is the continued separation of powers between the legislative, the executive, and the judicial branches in the National Government itself: And now, therefore, be it

"Resolved by the senate and house of representatives, That the dangers inherent in the flood-control law, as amended, be called to the attention of the Congress in the firm belief that the legislative branch of our Government, jealous to guard the basic principles of the Republic, upon reexamining this matter will replace the present law by an act removing this particular threat of destruction to the States; and in the hope that this will be only the first of a series of actions to quiet the conflicts—noticeably on the increase over all the area of State-Federal relations—because States are now being bypassed and their functions usurped by Federal agencies; be it further

"Resolved, That a copy of this resolution be sent to the President of the Senate, to the Speaker of the House of Representatives, to each Member of the Congress of the United States, and to the Governor of each State of the Union.

"Approved March 17, 1944

*"WM. H. WILLS,
Governor."*

A resolution adopted by Post No. 1 of Disabled American Veterans, of Memphis, Tenn., favoring the enactment of House bill 3356, relating to service-connected disabilities, and House bill 3776, relating to non-service-connected permanent and total disabilities; to the Committee on Finance.

A resolution by the Board of Aldermen (and approved by the mayor) of the City of Chelsea, Mass., favoring the naming of a naval vessel in honor of the late Lieut. Harold Arthur Kepnes, of Chelsea, Mass., who made the supreme sacrifice in the present war; to the Committee on Naval Affairs.

RESOLUTION BY THE CIVIC AND COMMERCE ASSOCIATION OF GRAND FORKS, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to have appropriately referred and printed in the RECORD a resolution adopted by the Civic and Commerce Association of the city of Grand Forks, N. Dak., giving its full approval of House bill 4184, a bill to repeal land-grant deductions in favor of the Government.

There being no objection, the resolution was referred to the Committee on Interstate Commerce, and ordered to be printed in the RECORD, as follows:

Be it resolved, That the Civic and Commerce Association of the city of Grand Forks, N. Dak., gives its full approval to H. R. 4184, being a bill introduced in Congress to repeal land-grant-rate reductions in favor of the Government. In support of the approval of the passage of this bill the association respectfully directs attention to the following facts:

The land-grant railroads are largely those of the West and the South and primarily serve agriculture. Under the existing law the Government pays for the transportation of its personnel and property but 50 percent of full tariff fares and rates. The major portion of the freight transported by the railroads of the West and South is for the Government. The Government is just as able to pay reasonable fares and rates as any of its citizens.

If the Government moves its freight at less than a reasonable charge for the service it follows that the shipping public is required to pay higher rates for the transportation of its products. The railroads of the eastern section of the United States are paid full tariff fares and rates for the transportation of Government personnel and property because the eastern railroads are not land-grant railroads. It certainly is unfair to thus penalize the railroads serving the western and southern parts of the country.

We understand full well that the reduced rates paid by the Government are the result of provisions in the land grants made in the aid of the construction of these railroads, and are based upon contracts between the railroads and the Government. These grants of public lands were for the purpose of encouraging the building of railroads into the unsettled portion of the country, and this underlying purpose of settlement has been accomplished. Impartial investigation shows that the Government has been more than repaid by the land-grant railroads for the value of the lands conveyed to them. A cancellation of the land-grant rates will be beneficial to all the shippers in the territory in which such rates prevail. The Government should deal fairly with its citizens and this generation of shippers should not be penalized by the insistence of maintaining a contract that in fact and in good conscience has been fully complied with.

The land-grant contracts which require the railroads receiving such grants to transport Government personnel and property at less than tariff fares and charges were made in the light of the transportation needs and demands of the Government at the time the contracts were made. At that time the Government was transporting a very limited number of soldiers and limited freight to a few scattered Indian defense posts in the West. It is certainly inequitable to apply such a contract, made for the purposes already stated, to the movement of millions of soldiers, sailors, and other Government personnel, and vast quantities of freight much of which is only indirectly connected with the war effort.

It is not a fair argument to contend that the cost of the war to taxpayers may be increased if the Government is required to pay higher rates. If the Government does pay higher rates a large portion of the amount so paid to the railroads will be repaid by the railroads in the form of taxes. Further than this, the receipt of additional revenue from the Government, should the land-grant discount of rates be abolished, would make it possible, indeed probable, to have railroad rates reduced generally, thus relieving the inequitable rate burden now imposed upon the general shipping public by reason of the discrimination now enjoyed by the Government under the land-grant rates; be it further

Resolved, That copies of this resolution be sent by the secretary of the association to Hon. CLARENCE F. LEA, chairman of the Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D. C.; and to Hon. LYLE H. BOREN, chairman of the subcommittee in charge of said bill, at the same address.

I, W. W. Blain, hereby certify that the foregoing is a true and correct copy of resolution adopted by the Civic and Commerce Association of the City of Grand Forks, N. Dak., on the 9th day of March 1944.

W. W. BLAIN,
Secretary.

RESOLUTIONS OF NORTH DAKOTA FARMERS' UNION

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the Rec-

ORD, five resolutions adopted by the North Dakota Farmers' Union, one dealing with the Baruch plan and proposal for real post-war conversion; another being in the form of a statement on the Wagner-Murray-Dingle bill providing for extension of the social-security program to groups not now covered, including farmers and farm labor, and its broadening to include health services; another resolution by the same Farmers' Union opposing compulsory national service; another dealing with cooperative pooling of machinery and labor, and yet another dealing with manpower on North Dakota farms.

The VICE PRESIDENT. Without objection, the resolutions will be received, appropriately referred, and printed in the RECORD.

To the Committee on Agriculture and Forestry:

COOPERATIVE POOLING OF MACHINERY AND LABOR

Since Pearl Harbor the Farmers Union has encouraged the development of cooperative use of farm machinery and the pooling of available help; the State board of the Farmers Union commends the activities of North Dakota Farmers Union locals in promoting the full use of machinery and manpower in neighborhood pools the past year.

Recognizing the need for superhuman efforts on the part of North Dakota farmers to meet 1944 food goals, despite increasing handicaps of lack of manpower and farm machinery, the North Dakota Farmers Union board of directors, meeting March 17, urges all farmers to secure maximum use of available machinery and manpower by cooperatively sharing implements and machines with their neighbors as well as trading work to a much greater extent in 1944.

We further recommend that Farmers Union locals take the initiative in setting up additional machinery and labor pools where needs and facilities of each farmer in the neighborhood, whether a member or not, may be listed and utilized.

To the Committee on Finance:

STATEMENT ON WAGNER-MURRAY-DINGELL BILL

The North Dakota Farmers Union State convention in 1943, as in previous years, called for the extension of the social-security program to groups not now covered, including farmers and farm labor, and its broadening to include health services.

The board of directors of the North Dakota Farmers Union, meeting at Jamestown March 16, 1944, find that S. 1161, known as the Wagner-Murray-Dingell bill, fulfills, in general, this part of the Farmers Union program and therefore we endorse the Wagner-Murray-Dingell bill in principle, reserving the right to advocate such changes and amendments that would, in our opinion, strengthen its provisions designed to give farmers and their families a minimum economic security against the hazards of death, disability, and old age, and to provide more adequate health care.

Farm families have more children, proportionate to the population as a whole, to support, and a larger proportion of aged persons; but they have access to fewer doctors, fewer nurses, fewer clinics, and fewer hospitals. The need for better health care is indicated by the fact that 40 percent of the boys classified as farmers were rejected for physical defects by the Army, as compared with 33 percent for those classified as emergency workers and unemployed, and 20 percent of those classified in the skilled occupations, professional, and semiprofessional services.

Any program of payment of medical and hospital expenses must be implemented by a program to provide adequate hospital and medical facilities and personnel in rural areas. Provision for dental care should also be included.

In levying a tax upon self-employed farmers for social security, lowest income farmers (those with \$200 income or less) should be exempt, since aid to them must be in the form of public assistance and the cost of administering the collection would very likely exceed the revenue derived. We recommend that the payment of social-security taxes by farmers be made through the same channels and at the same time as Federal income taxes.

To the Committee on Military Affairs:

RESOLUTION ON BARUCH PLAN AND PROPOSAL FOR REAL POST-WAR CONVERSION

We, the board of directors of the North Dakota Farmers Union, meeting March 16, view with alarm and apprehension the inadequacies and dangers inherent in the Baruch recommendations to President Roosevelt for the reconversion of our war economy to a peacetime economy by turning over to private business, particularly monopolistic big businesses, the lion's share of the \$15,000,000,000 worth of Government-financed war plants and the \$50,000,000,000 worth of war materials without any restrictions as to their use or nonuse.

Such a program would be an invitation to return to scarcity, because monopolies, judging by their past records, would dismantle or close plants whose increased output of peacetime goods would result in disturbing the price structure, kept artificially high by limiting output. The Farmers Union maintains that to secure the most abundant production possible that the Government sell or lease plants only with the provision that they be operated at full capacity to produce civilian goods at reasonable prices and that the Government use some plants as yardsticks to determine such reasonable costs.

We are deeply resentful that the problems of farmers in post-war reconversion are totally ignored. We advocate, among other things, that farm cooperatives be given the first opportunity to secure surplus materials suitable for farmers and plants for the production of farm equipment.

We regret the hasty appointment of William L. Clayton and Frank W. Hines to administer the Baruch program, because their past records indicate that their primary concern will be the interest of business rather than of the masses of workers, farmers, and consumers.

We advocate that Congress immediately set up an adequate agency to deal with reconversion problems, including the maintenance of full employment and full production, and that such an agency be directed by a board composed of representatives of government, industry, labor, and agriculture.

RESOLUTION OPPOSING COMPULSORY NATIONAL SERVICE

We, the board of directors of the North Dakota Farmers Union, meeting March 16, express the continued unalterable opposition of the North Dakota Farmers' Union to the enactment of a compulsory National Service Act as unnecessary, unsound, and injurious to the war effort. We base our opposition on the following reasons:

1. Over 1,300,000 farm families still remain underemployed because they have not received the technical assistance and equipment necessary for their full employment; in many instances Public Law 45 freezes employable members of these families to part-time agricultural work by preventing them from moving to other areas where their service is needed in agriculture or industry.

2. Voluntary recruitment and employment of women has not been adequately fostered because of the failure to provide nursery facilities for children or working mothers, proper housing, and other essential facilities to enable women to maintain their homes while working.

3. Employer discrimination still exists against full use of skills of minority groups among the population.

4. Hoarding of manpower, particularly by employers with cost-plus contracts, is still prevalent.

5. Enactment of compulsory national service was made conditional by the President upon heavier taxation, renegotiations of contracts to eliminate excessive war profits, stabilization of prices clear across the board. Since these other conditions have not, and will not be met, a compulsory national-service law would penalize part of the Nation for the benefit of another part.

6. It would be destructive of the morale of our fighting men, as well as of our workers on farms and in the factory to impose forced labor on the people for the pecuniary benefit of private owners.

MANPOWER ON NORTH DAKOTA FARMS

Nineteen hundred and forty-four food goals must be met if sufficient food essential to armed and civilian needs is to be supplied. While recognizing the needs of the armed services to secure more men, the board of directors of the North Dakota Farmers' Union, meeting March 17, urges local selective-service boards, the State appeal board and selective-service officials, the National Selective Service and War Manpower Commission, the President, and the Congress to exercise extreme caution in reclassifying men now deferred for agricultural employment.

If North Dakota farms are to produce what is expected of them, few, if any, farmers or experienced farm workers can be taken from the farms of this State, because already the farms have been so depleted of able-bodied manpower, that under normal weather conditions it will be practically impossible to maintain production. We point out that the amazing production of 1943 was made possible only because providence granted an unusually dry and open fall that extended the normal harvest and threshing season many weeks longer than usual and because farmers and their families pooled their work and machinery, as proposed by the Farmers' Union.

Many farmers have indicated that if their last son or hired man is taken they will be forced to immediately sell out and quit farming. We urge that proper authorities at once give definite assurance that a policy of keeping essential and productive farmers on the farm will be maintained, so that no farmers will quit before spring work begins on the strength of rumors or newspaper accounts that may lead them to believe that occupational deferments will not continue to be granted.

REPORT OF THE APPROPRIATIONS COMMITTEE DURING RECESS

Under authority of the order of the 24th instant,

Mr. McKELLAR, from the Committee on Appropriations, to which was referred the bill (H. R. 4346) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, reported it on March 27, 1944, with amendments, and submitted a report (No. 772) thereon.

NOTICE OF MOTION TO SUSPEND THE RULE FILED DURING RECESS—AMENDMENTS

Under authority of the order of the 24th instant,

Mr. McKELLAR, on March 27, 1944, submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of the rule XVI for the purpose of proposing to the bill (H. R. 4346) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes, the following amendments, namely: Page 7, after line 14, insert the following new paragraph:

"The appropriation 'Training for nurses, Public Health Service (national defense),' in the Federal Security Agency Appropriation Act, 1944, is hereby made available, for the entire fiscal year, for transfer to and consolidation with appropriations of St. Elizabeths and Freedmen's Hospitals in such amounts as may be deemed necessary by the Federal Security Administrator to cover the cost of items furnished to student nurses in training under plans approved for such hospitals in accordance with the act of June 15, 1943 (Public Law 74), as amended."

Page 8, line 22, after the words "outplant facilities" and before the period, insert the following proviso: "Provided further, That the limitation of \$40,000,000 contained in Public Law 150, Seventy-eighth Congress, approved July 15, 1943, on the total amount that may be allocated for contributions to public and private agencies for the maintenance and operation of public works after July 1, 1943, is hereby increased to \$65,000,000."

Page 69, after line 15, and before the heading "Title III—Judgments and Authorized claims," insert the following new section:

"Sec. 203. No part of any appropriation contained in this or any other act shall be used to pay to regular, full-time civilian officers and employees, whose basic compensation is determined on a daily or hourly basis, overtime compensation, pursuant to the joint resolution of December 22, 1942 (56 Stat. 1068), and the act of May 7, 1943 (Public, No. 49, 78th Cong.), on any basis other than at the rate of one and one-half times the basic rate of payment for work actually performed by such officers and employees in excess of 40 hours per week, without proration or the use of any formula which has been adopted to determine the daily compensation of per annum officers and employees; it being declared to be and to have been the true intent and meaning of the aforesaid enactments to provide for the payment of the overtime compensation of such employees only upon the basis herein described: *Provided*, That any overtime compensation in excess of the compensation so authorized under the above joint resolution and act which has been paid in reliance upon, and in accordance with, any decision or decisions of the Comptroller General is hereby approved and the Comptroller General shall allow credit therefor in the accounts of the officers accountable therefor, and shall make no charges against any certifying officer because of certification of such excess overtime compensation."

Mr. McKELLAR also submitted amendments intended to be proposed by

him to House bill 4346, the first deficiency appropriation bill, 1944.

(For text of amendments referred to, see the foregoing notice.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

H. R. 2778. A bill to ratify and confirm Act 16 of the Session Laws of Hawaii, 1943, extending the time within which revenue bonds may be issued and delivered under Act 174 of the Session Laws of Hawaii, 1935; without amendment (Rept. No. 773);

H. R. 3075. A bill for the relief of Mrs. Isabella Tucker; without amendment (Rept. No. 774); and

H. R. 3362. A bill to fix the annual compensation of the secretary of the Territory of Alaska; without amendment (Rept. No. 775).

By Mr. THOMAS of Utah, from the Committee on Mines and Mining:

H. R. 2616. A bill to enable the Secretary of the Interior to complete payment of awards in connection with the war minerals relief statutes; without amendment (Rept. No. 777).

By Mr. GUFFEY (for Mr. SCRUGHAM), from the Committee on Mines and Mining:

S. 1479. A bill providing for the suspension of certain requirements relating to work on tunnel sites; with amendments (Rept. No. 778).

By Mr. WALSH of Massachusetts, from the Committee on Naval Affairs:

S. 1770. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; with an amendment (Rept. No. 779).

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 24, 1944, that committee presented to the President of the United States the enrolled bill (S. 250) to promote sustained-yield forest management in order thereby (a) to stabilize communities, forest industries, employment, and taxable forest wealth; (b) to assure a continuous and ample supply of forest products; and (c) to secure the benefits of forests in regulation of water supply and stream flow, prevention of soil erosion, amelioration of climate, and preservation of wildlife.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Walter J. LaBuy, of Illinois, to be United States district judge for the northern district of Illinois, vice William H. Holly, retired; and

Edwin D. Bolger, of Michigan, to be United States marshal for the western district of Michigan.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

REPORT OF NOMINATION OF CLAUDE P. STEPHENS

Mr. CHANDLER. Mr. President, from the Committee on the Judiciary, I report favorably the nomination of Claude P. Stephens, of Kentucky, to be United States attorney for the eastern district of Kentucky, vice John T. Metcalf, resigned.

The VICE PRESIDENT. Without objection, the nomination will be received as in executive session and placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

S. 1814. A bill to provide for the sale of certain Government-owned merchant vessels, and for other purposes; to the Committee on Commerce.

(Mr. CLARK of Missouri introduced Senate bill 1815, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. WALSH of Massachusetts:

S. 1816. A bill granting a pension to Teresa F. Boyle; to the Committee on Pensions.

By Mr. TUNNELL:

S. 1817. A bill authorizing the appointment of an additional judge for the district of Delaware; to the Committee on the Judiciary.

By Mr. AIKEN:

S. 1818. A bill providing for an annual audit by the General Accounting Office of the financial transactions of certain governmental agencies and corporations, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BYRD:

S. 1819. A bill to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry, in Charlotte County, Va.; to the Committee on Public Lands and Surveys.

By Mr. RUSSELL:

S. 1820. A bill to provide for Federal assistance in the maintenance, expansion, and operation of school-lunch and school-milk programs, and for other purposes; to the Committee on Agriculture and Forestry.

DISTRIBUTION OF SURPLUS WAR MATERIALS

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to introduce a bill to provide for the distribution of surplus war materials through domestic lend-lease to States and their political subdivisions and instrumentalities thereof.

Mr. President, in connection with the introduction of the bill, I desire to say that the United States has been more prodigal than any other nation in the history of the world in its lavish generosity to other nations. Both by lend-lease and by U. N. R. R. A. we are holding ourselves out as outfitters and providers for the world. I am introducing today a bill for what might be called domestic lend-lease in order that the hard-pressed American taxpayer may get some of the benefits of the lush expenditures which have been made from his funds. When this war is over we will have on hand a huge stock of material, particularly heavy machinery. I see no reason why the principle of lend-lease should not be applied to this material and why it should not be loaned or leased to counties, towns, road districts, levee districts, soil-conservation districts, or other public subdivisions where it would certainly be of value. In the same way hospital units which have been set up in so many camps and which are not suitable for use by the Veterans' Administration

after the war might well be loaned or leased or given to some of the many counties or communities in the United States which are not only too poor to have a hospital but even a medical center.

There being no objection, the bill (S. 1815) to provide for distribution of surplus war materials through domestic lend-lease to States and their political subdivisions, and instrumentalities thereof, was read twice by its title and referred to the Committee on Military Affairs.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 3592. An act to amend the Judicial Code in respect to the original jurisdiction of the district courts of the United States in certain cases, and for other purposes; to the Committee on the Judiciary.

H. R. 4099. An act to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913; to the Committee on Pensions.

H. R. 4443. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1945, and for other purposes; to the Committee on Appropriations.

RIVER AND HARBOR IMPROVEMENTS—AMENDMENTS

Mr. BAILEY, Mr. BONE, and Mr. TYDINGS each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were severally referred to the Committee on Commerce and ordered to be printed.

GREEK INDEPENDENCE DAY—ADDRESS BY THE VICE PRESIDENT

[Mr. BONE asked and obtained leave to have printed in the RECORD the address delivered by the Vice President of the United States on Greek independence day, at Boston, Mass., March 26, 1944, which appears in the Appendix.]

THE OMNIBUS G. I. BILL OF RIGHTS FOR RETURNING VETERANS—ADDRESS BY SENATOR CLARK OF MISSOURI

[Mr. McFARLAND asked and obtained leave to have printed in the RECORD a radio address delivered by Senator CLARK of Missouri on the so-called Servicemen's Aid Act of 1944, which appears in the Appendix.]

SPEECH BY SENATOR THOMAS OF UTAH ON GREEK INDEPENDENCE DAY

[Mr. TUNNELL (for Mr. GUFFEY) asked and obtained leave to have printed in the RECORD the address delivered by Senator THOMAS of Utah on the occasion of the Greek independence day celebration, in Washington, D. C., on March 26, 1944, which appears in the Appendix.]

"BACK THE INVASION" RALLY ADDRESS BY SENATOR TUNNELL

[Mr. RADCLIFFE asked and obtained leave to have printed in the RECORD a "Back the Invasion" rally address delivered by Senator TUNNELL at Baltimore, Md., March 26, 1944, which appears in the Appendix.]

THE ONE-HOUSE LEGISLATURE—ARTICLE BY FORMER SENATOR NORRIS

[Mr. TUNNELL (for Mr. GUFFEY) asked and obtained leave to have reprinted in the RECORD an article entitled "The One-House Legislature," written by former Senator Norris of Nebraska and published in the Annals of the American Academy of Political and Social Science for September, 1935, and originally printed in the Appendix of the CONGRESSIONAL RECORD on October 13, 1941, which appears in the Appendix.]

UNITY IN THE WAR EFFORT

[Mr. TUNNELL asked and obtained leave to have printed in the RECORD an article, originally printed as an advertisement, under the heading "When duty whispers low 'thou must!'" which appears in the Appendix.]

STATEMENTS BY WENDELL WILLKIE—ARTICLE BY FRANK C. WALDROP

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD an article entitled "What He Really Said," written by Frank C. Waldrop and published in the Washington Times-Herald of March 27, 1944, which appears in the Appendix.]

PREVENTION OF INDUSTRIAL ACCIDENTS

[Mr. BONE asked and obtained leave to have printed in the RECORD an article entitled "Preventable Loss," written by Fred W. Perkins, and published in the Washington Daily News of March 27, 1944, which appears in the Appendix.]

AMERICAN FOREIGN POLICY—EDITORIAL FROM PHILADELPHIA ENQUIRER

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial entitled "Where Light Is Needed," published in the March 25 issue of the Philadelphia Enquirer, which appears in the Appendix.]

AMERICAN FOREIGN POLICY—EDITORIAL FROM THE NEW YORK SUN

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an editorial entitled "Does the United States Really Have a Foreign Policy?" from the New York Sun of March 23, 1944, which appears in the Appendix.]

JESSE COTTRELL

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial tribute to the late Jesse Cottrell, published in the Greenville (S. C.) News, which appears in the Appendix.]

ALMOS W. GLASGOW

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 555) for the relief of Almos W. Glasgow, which were, on page 1, line 6, to strike out "\$2,800" and insert "\$2,300"; and on the same page, line 10, to strike out "1942" and insert "1941."

Mr. CLARK of Idaho. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

OIL COMPANIES AND PIPE-LINE FACILITIES

Mr. GILLETTE. Mr. President, during the Seventy-sixth and Seventy-seventh Congresses the late lamented Senator Borah, of Idaho, and I introduced certain legislative proposals looking to the divorcement of the functions of integrated oil companies from the profits of the pipe-line owners. I did not renew the proposals in the present Congress, be-

cause I was led to believe that certain civil suits instituted by the Department of Justice had accomplished the end of denying the profits accruing by way of the operation of these facilities.

Under date of February 7, 1944, I addressed a letter to the Honorable Francis Biddle, Attorney General, and received a reply from him under date of February 22, 1944, from which I shall read one paragraph.

Mr. LANGER. Will the Senator from Iowa yield?

Mr. GILLETTE. I yield.

Mr. LANGER. Will not the Senator please read it all? I am very much interested in the subject.

Mr. GILLETTE. I intend to put both letters in the RECORD.

Mr. LANGER. The matter is of such great importance that I should like to have the Senator read his letter and the reply.

Mr. GILLETTE. My letter reads as follows:

FEBRUARY 7, 1944.

The Honorable FRANCIS BIDDLE,
Attorney General of the United States,
Washington, D. C.

DEAR MR. BIDDLE: As you know, up through the Seventy-seventh Congress I sponsored legislation proposing a divorcement of the functions of the integrated oil companies with particular emphasis on divorcement of pipe lines from their shipper-owners.

I did not renew my proposals in the present Congress, because I was led to believe that certain civil suits instituted by your department had accomplished the end of denying profits in transportation of oil by pipe lines to their shipper-owners.

With a view to what may happen in the post-war era as to the established pipe lines and those built for war purposes, and to determine whether legislation supplemental to the Antitrust, Interstate Commerce, and the Elkins Acts, is necessary, will you be kind enough to advise me as to whether I have been correctly assured that the litigation removed the rebating practices? In other words has the consent decree been obeyed and has it brought about a reduction in pipe-line tariffs and the discontinuance of the payment of transportation profits to the integrated oil companies?

Also, can you advise me whether the steps taken thus far by your department have resulted in the use of pipe-line facilities by others than their integrated owners?

Sincerely,

The letter was signed by me. The reply of the Attorney General, dated February 22, 1944, is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 22, 1944.

Hon. GUY M. GILLETTE,
United States Senate, Washington, D. C.

MY DEAR SENATOR GILLETTE: In further reply to your letter of February 7, 1944, inquiring as to the effect of oil pipe-line litigation upon the earnings, tariffs, and use of pipe lines, Assistant Attorney General Berge has informed me that litigation has been instituted under the Antitrust and Elkins Acts. The antitrust case, *United States v. American Petroleum Institute et al.*, has been continued until the termination of the war. The Elkins Act cases were consolidated and a consent judgment was entered on December 23, 1941, in *United States v. The Atlantic Refining Company et al.*

At this point I interpolate to say that the consent decree was in settlement of

a suit filed for the recovery of a billion and a half dollars assessed as penalties for violation of a Federal statute, but a consent decree was filed.

Mr. LANGER. How much of the billion and a half dollars did the Government obtain?

Mr. GILLETTE. As I recall the consent decree, the Government waived its claim to approximately a billion and a half dollars in penalties, and obtained the assurance that the companies would go and sin no more.

Mr. LANGER. That is, the pipe-line companies kept a billion and a half dollars?

Mr. GILLETTE. They have it as yet. The Government did not get any of it.

Mr. LANGER. And the lawsuits are over?

Mr. GILLETTE. That lawsuit is over. I read further from the letter of the Attorney General:

The consent judgment, *United States v. The Atlantic Refining Co.*, provides that a defendant pipe-line carrier shall not pay to its shipper-owner any part of earnings from transportation in excess of the owner's share of 7 percent of valuation which is defined in the judgment. All earnings in excess of the 7 percent are required to be held in a special surplus account which can be used for designated purposes only. Thus the defendant oil company may receive profits from its own pipe lines to the extent of 7 percent of valuation.

Again I interpolate, that is a provision of the consent decree, that from that time on they would be limited to 7 percent, and the balance would be paid into a special fund; but the Government waived its claim to the billion and a half dollars of penalties imposed for derelictions which had previously occurred.

I quote further from the letter:

The judgment requires each defendant carrier to file an annual report with the Department showing operations under the provisions of the judgment. Reports for the calendar year 1942 are the latest on file and they reflect a general compliance with the judgment except for approximately 10 companies who have used special surplus funds to make prohibitive payments to shipper-owners. Consideration is now being given to these exceptions so as to enforce compliance with the provisions of the decree.

The Department is not in a position to inform you with regard to reduction of pipe-line tariffs resulting from the entry of the judgment without making an exhaustive study of the tariff structure of 59 pipe-line companies. The fact that 22 of the carriers placed an aggregate of \$15,500,000 in the special surplus fund during 1942 would indicate that those carriers had maintained tariffs at levels which resulted in their net profits being in excess of 7 percent of valuation. I might suggest that since the Interstate Commerce Commission has pending two dockets designed to reduce pipe-line tariffs additional information on the subject might be on file with the Commission.

As to the question of the use of pipe-line facilities by others than their integrated owners, we are of the opinion that there has been some such use during the present emergency since at the request of the Petroleum Administration for War and the Office of Defense Transportation, the Antitrust Division joined with the Interstate Commerce Commission to assure the oil companies that the question of common carrier status would be

determined without reference to acts of transportation which are performed exclusively in response to the request or direction of the Director of the Office of Defense Transportation or the Petroleum Administrator for War.

Without passing upon the merits of legislation, referred to in your letter, the Department, of course, never intended that litigation be considered as a substitute for legislation designed to divorce pipe lines from their shipper-owners.

I shall be pleased to furnish you with any additional information that you may require.

Sincerely,

FRANCIS BIDDLE,
Attorney General.

Mr. President, in view of the fact that I have read the correspondence into the RECORD as a part of my remarks, I shall not request that the letters be printed in the RECORD.

I might add, before I take my seat, that as soon as the war exigency shall be ended, if I happen to be in a position to do so, I shall reintroduce the proposed legislation, and, if I shall not be in a position to do so, I shall try to see that someone else introduces it.

SALES OF SURPLUS GOVERNMENT PROPERTY

Mr. WILEY. Mr. President, last week I called attention to the imperative need of an appropriate committee going into action to see to it that small-business men, many of whom are already on the ragged edge, are not further liquidated by Government action or lack of action.

There was sent to me yesterday from Colorado a newspaper clipping with big headlines, "Army store." I shall be glad to show this to Senators. There follows this advertisement:

Civilians! Now you, too, can purchase merchandise made to the exacting specifications of the United States Army and Navy.

Then follows a list of the goods which are for sale—wool-lined regulation Army water-repellent field jackets, Army sweaters, undershirts, shorts, and other articles.

Then at the bottom of the ad, which covers most of a page of the paper, there is this statement:

We have a complete stock of regulation Army shirts and trousers for civilians and enlisted men. New shipments of Army and Navy surplus stocks are being received each week. Watch our windows and advertisements.

Mr. President, I repeat the statement which appears at the bottom of the advertisement:

New shipments of Army and Navy surplus stocks are being received each week. Watch our windows and advertisements.

Mr. President, the fear which I expressed last week is being realized. Army stores are coming into communities. What better evidence do Senators want of that statement than the advertisement I just read?

The distinguished majority leader said on the floor of the Senate the other day, when I was speaking on this subject, that the regulations require the sale of these goods by auction. That was not news to me, but, Mr. President, I do not want the

Army or the Navy to auction off the small business of this country, and that is what will happen if they continue this practice. I want the appropriate committee to take action and see that constructive steps are taken so that, if the Army has merchandise to sell, it will be siphoned through legitimate channels and not through fly-by-night operators who only disrupt, but do not build, communities.

There are enough misdeeds in government already without creating more. There are enough misdirectives and bungling orders that would disrupt the morale of our citizens without creating more. Here is a subject that Congress should immediately take hold of and provide the remedy.

The small-business men who have survived, in spite of scarcity of consumers' goods, are hungry for goods to sell similar to those listed in this newspaper advertisement. The small-business men of the country constitute a large section of the backbone of the Nation. Give them the opportunity to distribute the goods. Let Congress provide the ways and means so that over their counters will go the merchandise, and do not further "termite" the legitimate rights and interests and businesses of the small-business men.

Everyone who has so far spoken on this subject has called the merchandise in question post-war surpluses. That, Mr. President, is something to think of—post-war surpluses. But we are not through the war yet, and apparently we have more surpluses which are threatening the economic life of the small-business man. If there is any question of proof, let me say that last week an advertisement of the sale of surplus material appeared in the Chicago Tribune and in San Francisco newspapers; but here is an advertisement which shows that Army stores are actually in being, coming into the little communities, the villages. As a result, what is happening to the small-business man? He cannot obtain these goods. The small-business man, who through the war period has taken the bumps and paid the taxes and who through previous years has been the sustaining economic force of each community, now finds the Government failing to protect his interests. As I said last week, that is a repetition of what took place after the last world war.

We know that the Army and the Navy since Pearl Harbor have bought literally tens of millions of shoes, sheets, shirts, flashlights, automobiles, underwear, and every conceivable consumer commodity. The north African invasion required 700,000 different items of equipment and supply. There were 390 different items of clothing. The total war activities expenditures for the fiscal years 1941 to 1944 are estimated at \$172,000,000,000. Much of this money was used to purchase goods which may be surplus material at the end of the war. It does not take much vision to see what would happen to the value of the merchant's goods which he has on his counters if these surpluses were dumped on the market now or in the post-war period. Everyone

must realize what the consequence would be. But the strange thing is that much of the Government surplus goods is being siphoned, not through legitimate, but through illegitimate channels, to the detriment of the surviving little-business man of this country.

As I have stated, Mr. President, the merchants can use this merchandise which the Army has now, and it must be siphoned into legitimate business channels and not be put in the hands of those who would dynamite small business. Not only small business but American business as a whole and American labor leaders are very much concerned about the possibility of the disposition of vast stores of surplus material in the post-war period. So long as the war continues, we know that home markets will be hungering for everything which civilians can use.

As everyone knows, there are great shortages in most civilian goods. The problem is to have those in authority use their brains so as to make certain that the goods as they become available are distributed through legitimate business channels. Speculators should not be the chosen people of America. The taxpayers' dollars which have gone into this merchandise must be adequately protected and the taxpayers economy must also be adequately protected, but such protection is not afforded when the goods are dumped into the hands of speculators.

When we think of the unsatisfied demands of the people of this country which the retail stores of the country, the plumbing concerns, and so forth, cannot supply, the statement makes sense that the Congress must see that whatever goods are distributed by Government shall pass through regularly established trade channels. I know that there are committees of the House and Senate which are concerning themselves with the general problem of post-war planning and that there are numerous committees of the House and Senate which are investigating problems which relate to our post-war economy, and I know, too, that the entire Senate and House are concerned with this problem; but the danger is that there will be so much concern and so much committee action that there will not be provided the specific remedy which would bring about channeling Government surplus merchandise to the public without disrupting our economy.

Mr. President, the teamwork in America has been magnificent since Pearl Harbor. With such teamwork I believe that we can handle these surpluses, which at present appear to be a great threat to our economy, in such a manner as to strengthen our economy and the general welfare. These surpluses can, if we use our heads, prove to be a blessing. The world needs them, and we need them. It is simply a question of wise administration. As was suggested by John L. Sullivan, Assistant Secretary of the Treasury, they might even be used "effectively to control runaway prices and curb inflation." I repeat that statement, be-

cause it affects the attitude of a thinker, that these surpluses might be used "effectively to control runaway prices and curb inflation."

I have faith that we will find the answer, but I am hoping that soon that faith will be translated into reality by the Congress of the United States.

Mr. President, we cannot pass the buck in this instance. The problem is up to the Congress to solve. Already all indications are that the law is being utilized so that those is authority in the Army and the Navy and in the Procurement Division are literally starting a flood of surplus merchandise throughout the country. We can sit here and seem to be unconcerned about the matter, but the boomerang will strike back. It is our problem, and we cannot neglect it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1243) authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes.

SECRETARY HULL'S LIAISON COMMITTEE

Mr. WILEY. Mr. President, for a few brief moments I desire to discuss a subject which has been of great concern to me since December 1942. In the morning newspaper there is an article entitled "Teamwork for Peace," by Merlo Pusey. Then follows a subhead "Hull moves toward filling vacuum."

I heard over the radio, the other day, that Secretary Hull and the distinguished senior Senator from Texas [Mr. CONNALLY] were now in favor of a liaison committee or committees between the Executive and the Congress. It makes me very happy to know that at long last there is a realization of the desirability of bringing into being an instrumentality which will work for closer collaboration between those two independent branches of our Government. Mr. President, in September 1942, I submitted a resolution providing that a foreign relations advisory council be constituted of the following: The Secretary of State, the Under Secretary of State, certain technicians whom the Secretary of State might designate, the chairman and the ranking minority member of the Senate Committee on Foreign Relations, the Chairman and the ranking member of the House Committee on Foreign Affairs, and such other Senators as the President might from time to time designate. I am happy to note that at long last the Secretary of State has come around to the idea which I suggested in September 1942. If Mr. Hull's present plan coincides with the idea contained in my 1942 resolution and the explanation of it which I have repeatedly made on the floor of the Senate, I am very happy, indeed. This country will have one of the most efficient and

constructive governmental agencies ever created, to handle the many intricate and oftentimes embarrassing problems arising from the international relations between the Allied nations, if the plan proposed in my resolution is put into effect. I trust that the Secretary of State and I are in agreement as to the fundamentals of the plan, and that such a plan will be effectuated without delay.

Our present international situation is precarious. We must have adequate, immediate discussion of all phases of the problems existing between our allies and ourselves, in order to insure sound and lasting agreements, when such agreements are ultimately made. I believe that a foreign relations advisory council, such as the one I suggested, would not only be a liaison committee between the Executive, the Senate, and the House, but would, as I said on a previous occasion, constitute a splendid example of democratic government at work, because it would embrace the concept of having the technicians, the Executive, and the representatives of the people working together.

As I stated earlier in my remarks, Mr. President, I was very much interested in reading in the morning newspaper the statement in the column written by Merlo Pusey that—

The first major step toward harnessing this team—

Congress and the Executive—

together for one-way pulling has been taken by Secretary Hull. He has asked the Senate Foreign Relations Committee to designate a subcommittee to consult with the Department of State on problems connected with the establishment of an international peace organization.

Mr. Pusey further stated in his column:

Mr. Hull's move is belated, but there is still time to bring about a meeting of minds between the treaty-negotiating and treaty-ratifying agencies if they find it possible to work together.

Mr. President, in order that the RECORD may be kept straight on this subject, I desire to repeat that on September 17, 1942, I submitted the resolution which I read a few moments ago, although on September 16, 1942, I sent a copy of my remarks and the resolution to Secretary Hull. On November 25, 1942, I spoke on this subject, and submitted for the RECORD the correspondence between Secretary Hull and myself, in which Secretary Hull turned down flatly the plan we are now considering. It will be a healthy sign, Mr. President, in our Government if once in a while someone from the executive branch of government would say, "I have made a mistake. I am sorry; I should have done so and so." Such an attitude does not exist at the present time.

I again spoke on this subject on February 25, 1943. At that time the distinguished senior Senator from Texas [Mr. CONNALLY] said my resolution would receive the attention of the Committee on Foreign Relations. On March 9, 1943, I spoke again on the subject of a foreign relations advisory committee or liaison

committee; and while on the floor of the Senate I received the assurance of the distinguished Senator from Texas that he would give me an opportunity to be heard on my resolution, Senate Resolution 22. I was given an opportunity to appear before the Committee on Foreign Relations, but Secretary Hull's definite position, as outlined in his letters which are a part of the record, apparently determined the action of the committee, because the committee took no action.

On January 7, 1944, I again submitted the resolution. It is now pending before the Committee on Foreign Relations. It invites the Chief Executive to join with the Senate in the creation of a foreign relations advisory council.

Mr. President, the reason why I am so much concerned about this matter is, first, that there has been no team play between the Senate of the United States and the Executive because the Executive does not know how to "play ball" with a coordinate branch of government. For some 11 years the matter of cooperation has been summarized by the words, "Do it my way." During that time we had an era of "yes" men.

Today, during a great world crisis, the Nation is demanding that these two great branches of government get together and "play ball." Can the Executive "play ball" after 10 or 11 years of telling Congress what to do? That question is a serious one. I sensed that situation in 1942. That is why I submitted the resolution. That is why I asked the Secretary of State to collaborate with us. But the Secretary of State flatly turned down the suggestion.

However, Mr. President, today, when Mr. Churchill, Mr. Stalin, and the President of the United States, according to all those who claim to know, are having troubles of their own, there is a slight indication that the two constitutional bodies of the United States which have to do with treaty-making and with foreign policy will get together. I am happy to know that is so. I have no pride of parentage in the resolution, but I desire to see that the record is kept straight. I wish to say to you, Mr. President, that Mr. Pusey also calls attention in his column to the following:

Senator WILEY had introduced a resolution 10 months before, asking the Secretary of State to report on the danger of war in the Far East in an executive session of the Foreign Relations Committee, but nothing had come of it.

The Washington Post in February 1942, 1 month after the white paper was issued, in commenting on the resolution I introduced in February 1941, calling for Secretary Hull to report on conditions in the Far East, said that had that resolution been acted upon, it was barely possible we would have been a year ahead in the Pacific, and that Pearl Harbor might have occurred in reverse. Why? Because my resolution was submitted in February 1941. In January 1941, our Ambassador to Japan, Mr. Grew, had already reported to the President and to others that Japan was ready to strike,

and would strike. In February I submitted my resolution calling for an executive session of the Senate and requesting that the Secretary of State report to us the condition of our defenses, and so forth, in the Far East. On December 7, Pearl Harbor came. In January 1942, the white paper giving this information was issued. In February we had the comment in the Washington Post. I do not know any reason why this august body of 96 Members, representing 134,000,000 people, should not have consideration, especially when the fundamental law of the land makes it the primary right and duty of this body to be in the foreign-relations picture, to advise and consent to treaties. So, Mr. President, I am very happy that at long last there seems to be a trend in the direction of cooperation in order that this country may have the benefit of two coordinate branches of government in the war picture and the post-war picture.

EMPLOYMENT OF GOVERNMENT EMPLOYEES IN HOUSE AND SENATE FOLDING ROOMS

The VICE PRESIDENT. The Chair lays before the Senate a joint resolution coming over from the House of Representatives, which will be read.

The joint resolution (H. J. Res. 260) providing for the employment of Government employees for folding speeches and pamphlets, House of Representatives, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That notwithstanding the provisions of the act of May 10, 1916, as amended by the act of August 29, 1916, the Doorkeeper of the House of Representatives is hereby authorized, during the Seventy-eighth Congress, to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

Mr. HAYDEN. Mr. President, the purpose of the joint resolution is to take care of a situation in the folding room of the House of Representatives, which situation exists to an equal extent in the folding room of the Senate. There is great difficulty in obtaining help. The joint resolution would permit Government employees who have finished their work in the departments to receive overtime for work in the folding room.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HAYDEN. Mr. President, to make the joint resolution effective so far as the Senate is concerned, I offer three amendments, as follows:

At the end of line 4, to insert "Sergeant at Arms of the Senate and the"; in line 5, after "House of Representatives", to strike out "is" and insert "are"; and in line 5, after the word "hereby", to insert "respectively", so as to make the joint resolution read:

That notwithstanding the provision of the act of May 10, 1916, as amended by the act of August 29, 1916, the Sergeant at Arms of the Senate and the Doorkeeper of the House

of Representatives are hereby respectively authorized, during the Seventy-eighth Congress, to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

Senators will understand that this is piece work.

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from Arizona. Without objection, the amendments will be considered en bloc.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 260) was read the third time, and passed.

RETURN TO PRIVATE OWNERSHIP OF GREAT LAKES VESSELS AND CERTAIN OTHER VESSELS

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 3261) to amend the act of April 29, 1943, to authorize the return to private ownership of Great Lakes vessels and vessels of 1,000 gross tons or less, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. RADCLIFFE, Mr. WALSH of New Jersey, and Mr. VANDENBERG conferees on the part of the Senate.

MEMORY MONDAY

Mr. McFARLAND. Mr. President, out of order, from the Committee on the Judiciary, I report favorably, with amendments, Senate bill 1110, providing for the designation of each Monday during the present war as Memory Monday, and I submit a report (No. 776) thereon.

Mr. President, this bill, which was introduced by the senior Senator from Iowa [Mr. GILLETTE] is a very commendable and appropriate measure. It has been approved by the President of the United States, by the War Department, and by the Navy Department. I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection?

Mr. WHITE. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. WHITE. From what committee was the bill reported?

Mr. McFARLAND. From the Committee on the Judiciary.

Mr. WHITE. Was there opposition to it in the Judiciary Committee?

Mr. McFARLAND. There was no opposition. The bill was unanimously reported.

Because of the importance of this bill, I ask unanimous consent that the un-

finished business be temporarily laid aside, and that this bill be considered at this time.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1110) providing for the designation of each Monday during the present war as Memory Monday.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1110) providing for the designation of each Monday during the present war as Memory Monday, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the word "and", to strike out "each Monday" and insert "the first Monday of each month"; and in line 11, after the word "preceding", to strike out "week" and insert "month", so as to make the bill read:

Be it enacted, etc., That the President of the United States is hereby authorized and requested to issue a proclamation designating the first Monday in the month next following the date of enactment of this act, and the first Monday of each month thereafter until the cessation of hostilities in the present war, as Memory Monday in commemoration of the American men and women who have given their lives in the service of their country during the present war, particularly those who shall have fallen during the preceding month, and calling upon officials of the Government to display the flag of the United States at half mast on all Government buildings, property, and military and naval installations in the United States and its Territories and possessions on the days so designated.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill providing for the designation of certain Mondays during the present war as Memory Monday."

Mr. McFARLAND. Mr. President, I ask unanimous consent that a letter from the President of the United States; a memorandum from the Secretary of State; a letter from Secretary Knox to the President; and a letter from the Acting Secretary of War to the President, be printed in the Record at this point as a part of my remarks.

There being no objection, the letters were ordered to be printed in the Record, as follows:

THE WHITE HOUSE,

Washington, January 8, 1944.

HON. GUY M. GILLETTE,

United States Senate,

Washington, D. C.

DEAR GUY: I asked Cordell what he thought of your proposal for a Memory Monday, and I am enclosing copy of his memorandum to me indicating that neither the War Department nor the State Department would make any opposition.

Neither would I. But personally I always have the fear in the back of my head that any increase in the number of memorial days tends, over a period of time, to have them forgotten or not observed.

Just between us, what would you think of carrying out your excellent thought, but doing it a little less often? How would it do, for example, to make the first day of every month as the Memory Day; or, if you think it is better, make it the first Monday in every month?

If something like that were done instead of having the Memory Day once a week, I think that we could better call attention to it over the radio and in the press.

This is just a thought for you to mull over. In any event, you can be sure that I would not oppose.

With every good wish for the New Year,
Always sincerely,

FRANKLIN D. ROOSEVELT.

P.S.—I am also enclosing herewith copies of letters from the Acting Secretary of War and the Secretary of the Navy.

MEMORANDUM FOR THE PRESIDENT

JANUARY 6, 1944.

By reference of a memorandum under date of December 28 there was enclosed a letter from Senator GILLETTE under date of December 8, together with a copy of S. 1110.

The Senate bill would provide that each Monday be designated as Memory Monday and indicated by lowering the flags to half-mast on every public building in the United States.

The matter has been carefully considered in the Department. Informal conversation with the War Department indicated that that Department will probably offer no opposition.

It is my view that since foreign relations are not involved I do not care to recommend that the measure be opposed.

C. H.

MEMORANDUM FOR THE PRESIDENT

DECEMBER 29, 1943.

MY DEAR MR. PRESIDENT: I acknowledge your memorandum of December 28 touching upon the bill introduced by Senator GILLETTE and enclosing a copy of the bill which Senator GILLETTE had introduced in the Senate providing for the designation of each Monday as "Memorial Monday."

As one means of bringing home to the people of the United States the realities of the war and its certain costs in life, this might be very useful. In my opinion, it would be preferable to designate the first Monday in each month as "Memorial Monday" rather than every Monday. If, in some way we could encourage, by press and radio, the practice of giving out the names in each community once a month of those who had made the supreme sacrifice and for whom the flag was half-masted, it would naturally heighten the effect. I believe that through the O. W. I. this custom could be established. The two together, I think, would be highly useful in producing the essential psychology among the people for the duration of the war.

Yours sincerely,

FRANK KNOX.

JANUARY 6, 1944.

The President,
The White House.

DEAR MR. PRESIDENT: In reply to your memorandum of December 28 concerning Senator GILLETTE's bill, S. 1110, providing for a weekly ceremony honoring the men who lose their lives in the war, I feel that the thought of regularly and vividly bringing to mind the brave men who have fallen in the battle for this Nation's survival cannot but meet with general approbation. There is the danger, however, that a standardized ceremonial, as frequently repeated as is proposed under S. 1110, may lose the significance for which it is conceived, a result which would be most unfortunate. Should the resolution be enacted,

continuing affirmative effort would be necessary to keep alive the significance of the ceremonial. While this could probably be done at military posts, camps, and stations, it might not be feasible in other installations. The War Department therefore feels that a less frequent observance would be decidedly preferable.

Sincerely yours,

JOHN J. MCCLOY,
Acting Secretary of War.

Mr. McFARLAND. The committee asked that I particularly call the attention of the Senate to a portion of the letter from the Secretary of the Navy, which reads as follows:

As one means of bringing home to the people of the United States the realities of the war and its certain costs in life this might be very useful. In my opinion it would be preferable to designate the first Monday in each month as "Memorial Monday" rather than every Monday. If, in some way, we could encourage, by press and radio, the practice of giving out the names in each community once a month of those who had made the supreme sacrifice and for whom the flag was half-masted, it would naturally heighten the effect. I believe that through the O. W. I. the custom could be established. The two together, I think, would be highly useful in producing the essential psychology among the people for the duration of the war.

FIRST LT. CHARLES F. GUMM

Mr. BONE. Mr. President, I have before me a copy of the trans-Atlantic edition of the London Daily Mail of March 22, 1944. This is the world's first trans-ocean newspaper, edited and made up in London, photographed on microfilm, flown by bomber over the Atlantic, then printed and published in New York. The grim necessity for thrift and space is evident as one contemplates the small size of this newspaper when contrasted with our great metropolitan dailies.

In all the vast panorama of war news presented by the immense field of operations, the editors of the Daily Mail still find space to record a story of valor of one of our American boys who went down in the red tide of war. This boy, who not only gave his last full measure of devotion to the cause of his country, but who did it in a way that will immortalize his name, was 23-year-old First Lt. Charles F. Gumm, of Spokane, Wash. He was flying over the village of Nayland, in Suffolk, England, in his Mustang plane. Something went wrong with the engine of the plane, and apparently his one hope of escaping with his life was to drop his plane into the street. Instead of giving himself this one last chance, he deliberately forced his plane over the roof tops of buildings in order to avoid crashing into the street where he knew such a landing would cause the death of pedestrians. As a capable pilot, he knew exactly what this deliberate act meant to him, and yet this boy instantly elected to rob himself of his last chance in order to save the lives of others.

St. John the apostle said:

Greater love than this hath no man, that a man lay down his life for his friends.

Charles F. Gumm went beyond this highest expression of love and courage,

for he voluntarily laid down his life for strangers.

Probably no greater tribute to stark bravery has ever been penned by mortal man than is found in the beautiful language of Hugo describing the last stand of the Old Guard at Waterloo. And yet, when those brave Frenchmen perished to a man in the hail of English lead, they gave to the world no more sublime example of unselfish heroism than that revealed by this courageous lad from Spokane. So long as mankind admires the virtue of manly courage, the world will remember with a thrill the gallant exploit of Charles F. Gumm, who deliberately yielded up his young life to save the lives of others. Nobility of character could find no higher expression in this sad world.

SOUTHERN FREIGHT RATES

Mrs. CARAWAY. Mr. President, I wish to speak briefly on the subject of Southern freight rates. It is one of the most vital problems of the South. Later I expect to go into this subject at greater length.

My State of Arkansas is unusually rich in natural resources, agricultural, forest, and mineral, but its production, population, income, and wealth are below the average for the United States because it lacks manufacturing industries.

While the population of Arkansas has shown a steady, but moderate increase—at the rate of less than 10,000 per annum for the past 20 years, as contrasted with more than 20,000 per annum before that time—the rate of growth for the past 20 years has been less than the natural increase from births, less deaths. This means that Arkansas has been exporting to other States people who were seeking better opportunities, although Arkansas has natural resources rich enough to support many times its present population.

One reason for this situation is decreasing employment. From 1920 to 1940, the total number of gainful workers in Arkansas decreased from 634,564 in 1920, to 583,944 in 1940. The decrease was proportionately greatest in the number of wage earners engaged in manufacturing industries, which went down from 49,954 in 1919 to 36,177 in 1939. The total wages paid industrial workers declined in even greater proportion, from \$47,186,000 in 1919, to \$24,547,000 in 1939. Correspondingly, the value of manufactured products declined from \$200,313,000 in 1919 to \$160,167,000 in 1939.

The disproportion of Arkansas' manufacturing industry to its production of raw materials is shown by the fact that its manufactured products in 1939, \$160,000,000, were less than the value of raw materials produced, which was \$227,000,000, the value of the manufactured products being only 41 percent of the value of the total production. In the United States, as a whole, the value of manufactured products in 1939 was \$56,842,000,000 and of raw materials, \$14,449,000,000, the value of manufactures being 80 percent of the whole. Arkansas has, per capita, more than its

share of the value of raw materials produced, but it has only 19 percent of its per capita share of the value of the manufactured products of the United States.

Because income depends on production, especially upon production of manufactured products, the relatively low production of manufactured products in Arkansas is reflected in a relatively low annual average income of \$825 per employed person (1940), compared with an average of \$1,688 for the United States as a whole.

Arkansas has the misfortune of being in the region of the highest freight rates on miscellaneous manufactured articles in the United States. There is no justification for this from the standpoint of transportation costs, as recent studies of the Interstate Commerce Commission, which have been published in Senate Document No. 63, of the Seventy-eighth Congress, first session, June 1943, show that the cost of rail transportation in Arkansas is no higher than in the eastern territory, but the rates on manufactured products from Arkansas to the East are almost without exception much higher than the rates in the East on the same commodity, for the same length of haul.

For example, the rate on furniture in carloads, from Fort Smith, Ark., to Indianapolis, Ind., a distance of 656 miles, is \$1 a hundred pounds, while the rate in eastern territory for the same mileage is 79 cents a hundred pounds. The rate on canned foodstuffs from Fayetteville, Ark., to Indianapolis, a distance of 594 miles, is 56 cents a hundred pounds, while the rate on canned goods for the same mileage in the eastern territory is 41 cents a hundred pounds. The rate on fiberboard boxes from Little Rock, Ark., to Indianapolis, a distance of 532 miles, is 52 cents a hundred pounds, while the rate for the same distance in the East is 35 cents per hundred pounds. Even the rate on lumber from Arkansas points to the East is on a higher level than the rate on lumber in the eastern territory. From Crossett, Ark., for example, to Indianapolis, a distance of 643 miles, the rate on lumber is 40 cents a hundred pounds, while the eastern lumber rate for the same distance is 32 cents a hundred pounds. Those rates are typical of the rates paid on Arkansas-manufactured products to the East, as compared with the rates charged on competitive articles moving from eastern manufacturers to eastern markets. It is no wonder that Arkansas manufacturing has made little progress in the face of these handicaps.

Bills are now pending in Congress which would require the Interstate Commerce Commission to establish within 3 years a uniform classification of freight and uniform class freight rates throughout the country, with only such exceptions as are justified by difference in transportation conditions. Those bills are intended to carry out the recommendations of the Transportation Board of Investigation and Research which reported to the President and Congress last year—House Documents 145 and 303,

Seventy-eighth Congress, first session—that the existing differences in classification and class rates were harmful to the economic development of the South and West, and were not justified by differences in transportation or other conditions.

There is also an investigation now under way, by the Interstate Commerce Commission, of freight classification and class rates throughout the area east of the Rocky Mountains, which was begun in 1939—I. C. C. Documents 28300 and 28310—upon earnest insistence of southern and western Members of Congress that the existing inequalities be investigated and corrected. The indications are that there may be a decision by the Commission in the next year or two. However, class rates apply on only a small proportion of the total freight which the railroads haul. The great majority of the traffic moves on individual commodity rates. While it is important that class rates which apply on miscellaneous commodities, particularly small-quantity shipments, be corrected as promptly as possible, this will by no means be the end of the fight which must be carried on until present discriminations against all the products of Arkansas and other Western and Southern States are wiped out.

Mr. President, we have heard much in recent years of the so-called southern economic national problems. There would be no southern problems if the South received the fair treatment accorded other areas. The discrimination against that section in the matter of freight rates is but an example of what I have in mind.

The South is one of the greatest areas of our great Nation. It has the resources, the climate, and the high type of American citizenship to forge to the front if it be given an even break in the operation of government.

Mr. President, I am proud to be an Arkansan and a southerner. No other section of the Nation has exceeded us in the war effort. From that area, and those contiguous thereto, there has come a remarkable number of those who have been prominent in leadership in the war. The area has many heroes. To my mind everyone who is serving in this great war for the liberty of our Nation and the world, whether he be the humblest private, or one who leads, is a hero.

I predict that when peace comes the South will have a new and brighter page in the history of the United States.

JEWISH NATIONAL HOME IN PALESTINE

Mr. CLARK of Missouri. Mr. President, on February 1, 1944, the Senator from New York [Mr. WAGNER] and the Senator from Ohio [Mr. TAFT] submitted Senate Resolution 247, resolving that the United States use its good offices in taking appropriate measures to the end that the doors of Palestine shall be open for free entry of Jews into that country and that there shall be full opportunity for colonization so that the Jewish people may ultimately reconstitute Palestine as a free and democratic Jewish commonwealth. The resolution reaffirmed the

action of the Congress on June 30, 1933, in which the Sixty-seventh Congress gave adherence to the Balfour Declaration for the reestablishment of a Jewish national home in Palestine. Senate Resolution 247 was referred to the Foreign Relations Committee. As a member of that committee I was an earnest supporter of that resolution, and, so far as I know, there was little or no opposition to its adoption in the committee. However, as a result of a letter from the Secretary of War transmitted by the Secretary of State vigorously protesting against the adoption of the resolution at this time, and as the result of the appearance before the committee of high military authorities ascertaining that the adoption of the resolution might be harmful to the war effort, the resolution has been held in abeyance in the committee, and on that state of fact even the most ardent supporters of the resolution were unable to protest seriously the action of the committee. However, a few days ago, after a conference at the White House between the President and Dr. Abba Hillel Silver and Dr. Stephen S. Wise, the cochairmen of the American Zionist Emergency Council, Dr. Silver and Dr. Wise issued the following statement:

The President authorized us to say that the American Government has never given its approval to the white paper of 1939. The President is happy that the doors of Palestine are today open to Jewish refugees, and that when future decisions are reached, full justice will be done to those who seek a Jewish national home for which our Government and the American people have always had the deepest sympathy and today more than ever, in view of the tragic plight of hundreds of thousands of homeless Jewish refugees.

Inasmuch as the President is the Commander in Chief of the Army and Navy of the United States, as well as the head of our Diplomatic Service, it seems to me that the statement of the President necessarily supersedes and transcends the statements of other American officials, no matter how important they may be. I, therefore, feel justified in calling the matter to the attention of the Senate, particularly in view of the extreme urgency of the situation.

Mr. President, on March 31 there will become operative, unless this Government successfully intervenes, one of the most brutal and calamitous policies in the history of Christian civilization. I refer to the British white paper which for the past nearly 5 years has been the obstruction upon which the hopes of hundreds of thousands of homeless persecuted people have fallen in their efforts to escape the living hell which the bestial Hitler has inflicted upon the Jews of Europe.

Ironical as it may seem, tragic as it is, the Jewish homeland in Palestine, by the operation of this policy, has, insofar as the homeless Jews of Europe are concerned, ceased to be a homeland, and if this policy becomes fully effective, it will not only not be a homeland, but it may well become another place where the Jew will be unable to lay his head in peace. It may well become another concentra-

tion camp, with all the horrors of those camps.

The British white paper stands, in my mind and in the minds of hundreds of thousands, perhaps millions, of American citizens of all faiths, as probably the most tragic of all the unhappy experiences this unhappy people have had since a political mountebank threw the world into an uproar with the Jews as his first victims. The British Government closed the gates of Palestine back in 1939, when a misguided Prime Minister, Mr. Chamberlain, was seeking to appease the Hitler government. No peoples on earth denounced that policy more vigorously than did the rank and file Britishers, and no official was more critical of that policy than was the man who today is the Prime Minister of the British Empire, the Right Honorable Winston Churchill.

Almost 5 years have passed, however, since Mr. Churchill rose in Commons to denounce this violation of the solemn pledge of the British Government. Since he spoke from the benches of the opposition, Mr. Churchill has become the No. 1 spokesman of his Government, and although he so vigorously opposed the stoppage of Jewish immigration into Palestine when he was on the outside looking in, he has done nothing, insofar as I know, now that he sits in the seats of the mighty, to rectify that great wrong or to modify that policy.

In the meanwhile, time moves rapidly. Unhappily the British Government is not alone in responsibility for the tragic situation which now pertains to Palestine. Our Government also has a responsibility, and this responsibility will increase as the full effects of this policy become operative.

Let me explain. During the First World War the great President of the United States, Woodrow Wilson, and the then head of the British Empire, Mr. Lloyd George, conducted negotiations in response to a world-wide demand that steps be taken to alleviate the plight of the suffering Jews of Europe by setting aside their centuries-old home, Palestine, as a national home for the Jews.

As a result of the negotiations between this Government and the British Government, there was promulgated on November 2, 1917, by the British Secretary of State for Foreign Affairs, the late Arthur James Balfour, that has since become known as the Balfour Declaration. This declaration, although issued in the name of the British Government, was, insofar as I am able to ascertain, a declaration also of policy on the part of the Government of the United States, because President Wilson and our own Department of State were party to its promulgation. Let me read to Senators what the Balfour Declaration says. I quote:

His Majesty's Government views with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavours to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Pal-

estine, or the rights and political status enjoyed by the Jews in any other country.

The Balfour Declaration brought hope and happiness to millions of Jews throughout the world. To the homeless and oppressed it was the rainbow in the storm-covered sky of the Jewish world. Equally, it was hailed by Protestant and Catholic men and women of good will throughout the world. They were like you and me, Mr. President, in thinking that at long last the age-old crime of a Christian civilization against the Jewish people was about to be righted.

After the World War, first at the Versailles Peace Conference, and then at subsequent international gatherings, steps were taken by the Allied and Associated Nations to carry into practical effect the principles of the Balfour Declaration. It is well to note here that in all these conversations by the spokesmen of the British Government and the spokesmen of the American Government, and the other Allied Powers, it was intended that Palestine would be a homeland for the Jews in the fullest sense of the word.

It is well to note, too, that the spokesmen for the Arab world were apparently just as happy that this was coming to pass as were the spokesmen for the Jewish world. At the Versailles Conference there actually was entered into by the spokesmen for the Jews and spokesmen for the Arabs what can well be known as a treaty of peace and amity. There were exchanged letters by the then foremost champion of the Arab cause and a leading spokesman for the Zionist organization of America. In a personal letter the Emir Feisal, the late great recognized spokesman for the Arab people, had this to say:

I want to take this opportunity of my first contact with American Zionists to tell you what I have often been able to say to Dr. Weizmann in Arabia and Europe.

We feel that the Arabs and Jews are cousins in race, have suffered similar oppression at the hands of powers stronger than themselves, and by a happy coincidence have been able to take the first step toward the attainment of their national ideals together.

We Arabs, especially the educated among us, look with the deepest sympathy on the Zionist movement. Our deputation here in Paris is fully acquainted with the proposals submitted yesterday by the Zionist organization to the peace conference and we regard them as moderate and proper. We will do our best, insofar as we are concerned, to help them through; we will wish the Jews a most hearty welcome home.

With the chiefs of your movement, especially with Dr. Weizmann, we have had, and continue to have, the closest relations. He has been a great helper of our cause, and I hope the Arabs may soon be in a position to make the Jews some return for their kindness. We are working together for a reformed and revived Near East and our two movements complete one another. The Jewish movement is national and not imperialist. Our movement is national and not imperialist, and there is room in Syria for us both. Indeed, I think that neither can be a real success without the other.

People less informed and less responsible than our leaders and yours, ignoring the need for cooperation of the Arabs and Zionists, have been trying to exploit the official

difficulties that must necessarily arise in Palestine in the early stages of our movements. Some of them have, I am afraid, misrepresented your aims to the Arab peasantry, and our aims to the Jewish peasantry, with the result that interested parties have been able to make capital out of what they call our differences.

I wish to give you my firm conviction that these differences are not on questions of principle, but on matters of detail such as must inevitably occur in every contact of neighboring peoples, and as are easily adjusted by mutual good will. Indeed, nearly all of them will disappear with fuller knowledge.

I look forward, and my people with me look forward, to a future in which we will help you and you will help us, so that the countries in which we are mutually interested may once again take their place in the community of civilized people of the world.

Now let me get back to the Versailles Conference. As a result of the Covenant of the League of Nations, a mandatory policy was agreed upon in which certain nations were to be given spheres of influence. England was given the mandate of Palestine, and although the United States Government did not become a participant in the League of Nations, it did reserve for itself the right to approve the mandate over Palestine, having first kept itself fully informed concerning the development of the mandate.

Let me say parenthetically, Mr. President, that a few days ago I read a very long and illuminating article in the Baltimore Sun, under a London date line, in which it was stated that the mere introduction of this resolution had caused a great deal of indignation in England, on the ground that we were interfering in British territory even by introducing such a resolution. Of course, the fact is that the British have no more rights in Palestine than we have, or than anyone else has, except in their fiduciary capacity, which comes about by their having been granted a mandate by the League of Nations. Palestine does not belong to the British. The British have no color of title whatever to Palestine. It is a piece of impudence on their part to assume that Palestine belongs to them.

Following the agreement on a mandatory policy a convention was negotiated by the then Secretary of State of the United States, Mr. Charles Evans Hughes, later Chief Justice of the Supreme Court, and Mr. Austen Chamberlain, the British Secretary of State, whereby the United States approved the mandate for Palestine. This convention was approved by the Senate of the United States on February 20, 1925. It was ratified by the President of the United States on March 2, and by Great Britain on March 28. The ratifications were exchanged at London on December 3, and the convention was proclaimed by President Calvin Coolidge on December 5, 1925. It thus became the law of the land insofar as the United States Government is concerned.

Prior to ratification of the mandate by the United States and Great Britain, the Congress of the United States unanimously passed what has since become

known as the Lodge resolution which resolved:

That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine, and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

Following the proclamation of the mandate, Jews from all parts of Europe began moving into Palestine. Their coming converted a barren land into a literal Biblical land of "milk and honey." In the span of a quarter of a century since the end of the first World War, the Jewish community in Palestine grew from approximately 50,000 to approximately 600,000 people.

A barren country, desolate and forsaken for centuries, Palestine has been transformed by Jewish idealism and labor into a thriving country, and it stands today as the world's most marvelous example of reclamation. The example is even more marvelous because the people who converted this soil had for centuries been forced to live away from the land and in crowded areas of industrial communities. It is fortunate that, prior to the promulgation of the British white paper policy, more than a quarter million Jews poured into Palestine in the early days of Hitler's reign of terror. These refugees from Germany and other Nazi-dominated countries of Europe became, in Palestine, aggressive and intelligent allies of the United Nations. Aside from the fact that were it not for Palestine, approximately half a million additional Jews would have been slaughtered by Hitler, the fact stands out that these people in Palestine were heroic allies of the British Eighth Army at a time when the British Empire was being driven back to its life line at the Suez.

These people were our friends in the hour of the United Nation's greatest need. Jews of Palestine volunteered as combat troops with General Montgomery, and more than 30,000 of them fought with magnificent courage at El Alamein, Tobruk, and in every other battle in north Africa through to Italy, where thousands of men are now fighting with the British. They were magnificent soldiers and no one has been more generous in his praise than General Montgomery himself. In addition, the men, women, and children in Palestine left their orange groves and their other agricultural pursuits to become industrial workers, first for the British Army and then later for the American troops. In Palestine, they manufactured everything from marmalade to munitions. It is noteworthy that Jewish technicians who were driven from Germany by Hitler, re-established their trades and enterprises in Palestine. They began turning out in that country optical equipment, scientific and precision instruments, and other commodities which the British had theretofore imported from Germany. Had it not been for the presence of these

people in Palestine, the British Eighth Army would have been deprived of much valuable material badly needed in helping to win the war in north Africa. These industries still are functioning at high speed and the entire economy of Palestine continues to be geared to the winning of the war.

So much for Palestine's contribution to the war which has been and is a magnificent contribution.

Now let us get back to the mandate. I have shown how the United States Government became a party to the mandate for Palestine. Article 7 of the convention between the United States and Great Britain, which convention includes all the provisions of the mandate, declares that no modification shall be made in the terms of the mandate unless such modifications had been assented to by the United States.

Note these words, that no change shall be made in the terms of the mandate unless such modifications shall have been assented to by the United States. This language is part of a treaty by the Government of the United States and the Government of Great Britain, signed by the late Ambassador Frank B. Kellogg, of the United States, and by the Right Honorable Austen Chamberlain, His Majesty's Principal Secretary of State for Foreign Affairs, on behalf of the King of England.

Despite this treaty which specified that no change should be made in the mandate, the British Government proceeded to destroy the mandate and to render it practically null and void insofar as its purpose was to make it a national home for the Jews. They, the British Government, made the mandate for Palestine a scrap of paper. They were apparently entirely indifferent to their solemn agreement.

Not once were the wishes of the American Government consulted, and not once in the nearly 5 years which have elapsed since this flagrant and tragic betrayal of its trust was perpetrated by Great Britain, so far as is known, has the American Government made any protest.

Not once has our Department of State said to the Government of Great Britain, "You cannot do this. You have a treaty with us which says that no change shall be made in the mandate without first receiving our assent."

To all intents and purposes, we of the United States Government, are equally a party to this nullification. By our silence for nearly 5 years we have to all practical purposes given our consent to this tragic violation of the pledged word of 51 nations.

Mr. SHIPSTEAD. Mr. President—
The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. CLARK of Missouri. I yield.

Mr. SHIPSTEAD. Does the Senator mean to say that neither the State Department nor the President has protested the actions of the British Government?

Mr. CLARK of Missouri. I say they have never been protested so far as anyone knows.

Because Palestine might have saved the lives of tens of thousands of persecuted Jews during the past 5 years had they been permitted to go there, and were not permitted to go there because of the operation of this iniquitous white paper, we of this Nation are in effect a party to this crime, and for this I hang my head in shame.

The horrible effects of this mandate, Mr. President, will become fully operative on April 1, and in all this period the only word of protest uttered by a responsible official of the American Government was spoken a few days ago in the White House by the President to Dr. Abba Hillel Silver of Cleveland, Ohio, and Dr. Stephen S. Wise, the cochairman of the American Zionist Emergency Council, the organization of Jews and gentiles which has been formed to try, at this late date, to rectify this horrible wrong. Following that conference Dr. Silver and Dr. Wise, by authority of the President, gave out the statement I have quoted above.

This, Mr. President, I repeat was the first word of protest against the white paper policy by a responsible official of the American Government in these 4 years, 11 months, and 9 days of its operation.

You can imagine, Mr. President, the hope it brought to hundreds of thousands of people here and overseas.

At long last, a responsible official of this Government has spoken out.

I was a guest that evening at the dinner of the American Palestine committee at which more than 800 people were present, mostly Protestants and Catholics. To them the President's words were stimulating, even as they were to Jews in this country and to Jews overseas.

All of us felt that finally the Government of the United States was disassociating itself from that horrible and ironical policy which prevents homeless, persecuted Jews from migrating even to Palestine.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. SHIPSTEAD. To whom did the President protest?

Mr. CLARK of Missouri. The President authorized the statement. I believe the Senator stepped off the floor when I earlier referred to the statement. In an interview with Dr. Silver and Dr. Wise, the President authorized them to give out the statement which I read earlier. I am glad to repeat it:

The President authorized us to say that the American Government has never given its approval to the white paper of 1939. The President is happy that the doors of Palestine are today opened to Jewish refugees, and that when future decisions are reached, full justice will be done to those who seek a Jewish national home for which our Government and the American people have always had the deepest sympathy, and today more than ever, in view of the tragic plight of hundreds of thousands of homeless Jewish refugees.

Mr. SHIPSTEAD. Was there no protest from our Government to the British Government?

Mr. CLARK of Missouri. That is the only expression by any responsible Government official which has been made on the subject.

Mr. SHIPSTEAD. That statement was made by Dr. Silver; was it?

Mr. CLARK of Missouri. It was made by Dr. Silver and Dr. Wise, who were authorized to make the statement, so they said.

Mr. SHIPSTEAD. Was the statement made to the British Government?

Mr. CLARK of Missouri. No; they gave it out to the public.

Mr. SHIPSTEAD. I understand.

Mr. CLARK of Missouri. Mr. President, since the announcement of the statement on behalf of the President by Dr. Silver and Dr. Wise, nearly 3 weeks have passed, and we have heard nothing further. I appreciate that the wheels of diplomacy turn slowly, but I also appreciate that the clock clicks away. In another 10 days the white-paper policy will become completely effective, and unless repudiated or modified, it will become a permanent prohibition against Jewish migration to Palestine.

If this comes to pass, Mr. President, the tragedy of the Jew of our time will be infinitely worse than the tragedy of the Jew throughout the ages. Where, then, Mr. President, will be our vaunted Christian civilization? Where, then, will be the long-time policy of this Government? Where then will be our national self-respect? Where, then, will be the principles of the Atlantic Charter?

I cannot believe, Mr. President, that this Government will stultify itself. Neither do I believe that a great humanitarian like Mr. Roosevelt will be content merely with an indirect statement to the effect that the "United States Government has never given its approval to the white paper of 1939."

The time has passed when mere words will halt continuation of this tragedy. Action is needed.

Mr. President, it has been said that Palestine is too small a country to accommodate all of the homeless Jews who might want to go there. Obviously, Mr. President, it is not planned to move all of them overnight; nor, insofar as I have ever heard, is it planned to move all of them at all at any time. What is anticipated is that when the war is over those unfortunate people, who cannot reconstruct their lives in the devastated areas of Europe, where people do not want them, will be permitted to go to Palestine and achieve homes for themselves. Also, the thousands of refugees who got away from Hitler, but did not get to Palestine because of the restrictive immigration policy resulting from the white paper, will be absorbed.

For the past few nights, I have been reading a very interesting book by a United States Government official, Dr. Walter Clay Lowdermilk, one of the foremost soil-conservation authorities of our Government and in the world, entitled "Palestine, Land of Promise." It would

be to the advantage of any Member of this body to peruse the book.

Dr. Lowdermilk was first attracted to Palestine because of studies made there and in the course of a soil survey of other countries, directed by the Congress of the United States, which took him from Casablanca to Chungking. In all of his travels in Europe, Africa, and Asia, he found Palestine by all odds the most interesting place on earth where the soil is being reclaimed and an ancient land is being returned to the fruitfulness which the Creator intended.

Mr. BONE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BONE. Does the book the Senator has mentioned indicate the amount of water available for reclamation work in Palestine?

Mr. CLARK of Missouri. It not only indicates the amount of water available for reclamation work but it contains concrete suggestions as to certain very interesting projects which the author of the book believes entirely feasible both for power development and for reclamation work. I may say that one of the projects which Dr. Lowdermilk discusses in his book would involve taking the sweet water of the River Jordan and using it for irrigation purposes in the arid or semiarid land around it, and replacing that water in the River Jordan by sea water. The proposal is that the sea water be brought in by means of a tunnel which Dr. Lowdermilk says is entirely practical. It would bring from the Mediterranean sea water which could be used for power purposes. Dr. Lowdermilk states that the depression of the Sea of Galilee, the River Jordan, and the Dead Sea is the most interesting spot on the habitable globe from the standpoint of prospective power development. His book is one which I am certain every Senator could very profitably spend a few evenings in reading.

Mr. BONE. Of course, Mr. President, it would be a remarkable thing and would be tremendously advantageous for that area, if both functions could be blended in one operation.

Mr. CLARK of Missouri. The project Dr. Lowdermilk suggests is unique, as I have said, because he proposes that the sweet water be taken from the River Jordan and used for irrigation and reclamation purposes, and that it be replaced with sea water from the Mediterranean, which would be used for power purposes. He says that is entirely feasible.

Mr. BONE. Would any pumping operations be necessary?

Mr. CLARK of Missouri. The topography is such that, by the construction of the tunnel, so Dr. Lowdermilk says, it is perfectly possible to divert water from the Mediterranean Sea, which is only a few miles away, and use it to replace the sweet water taken from the River Jordan and used for irrigation purposes. Of course, the surface of the Dead Sea is nearly 1,300 feet below sea level. The Sea of Galilee is more than 600 feet below sea level, as I recall.

Mr. BONE. We have nothing comparable to that in this country, unless it be portions of Death Valley.

Mr. CLARK of Missouri. Dr. Lowdermilk states there is nothing else in the entire world that is anything like the topography existing in the cleft generally represented by the Sea of Galilee, the River Jordan, and the Dead Sea.

Mr. BONE. Of course, with a 600-foot head of water there would be no trouble with power development.

Mr. President, it might be well at this point to say a few words about the country itself. Incidentally, let me say that the mandate of Transjordan, which logically should belong with Palestine in one country, because it is essentially the same country, was wrenched out of the Palestine mandate. While the British have a mandate over Transjordan, it was wrenched out of the Palestine mandate, which is proposed as the Jewish homeland.

Palestine, west of the Jordan, comprises an area of 10,400 square miles. It is characterized, despite its small size, by great diversity of climate, soils, altitude, and rainfall, and offers possibilities for many types of agriculture and varied economic development. Its population today is about 1,500,000.

Belgium, Holland, and Sicily are each of approximately the same size as Palestine. The population of Sicily, mountainous and without important industries, is 4,000,000; that of Belgium and Holland, each, over 8,000,000. It is clear that area alone does not determine the absorptive capacity of a country; its material resources and the energy, skill, and character of its inhabitants must also be taken into account.

Archeological and historical evidence indicates that in Greco-Roman times Palestine supported a population of 3,000,000 to 4,000,000, or more than twice the present total. It is reasonable to suppose that with the aid of modern technology that figure will not only be reached once more, but considerably exceeded.

After 8 months in which Dr. Lowdermilk was afforded every possible opportunity by all groups in Palestine to make a thorough and exhaustive study of the potentialities of the area, he says this in his book about the absorptive capacity of Palestine:

I shall not attempt to estimate the final absorptive capacity of Palestine. That would be impossible, for the absorptive capacity of any country is a dynamic and expanding conception. It changes with the ability of the population to make the maximum use of its land, and to put its economy on a scientific and productive basis. It is clear, however, that there is ample proof of the assertion that full utilization of the Jordan Valley depression for reclamation and power will in time make possible the absorption of at least 4,000,000 Jewish refugees from Europe, in addition to the 1,800,000 Arabs and Jews already in Palestine and Trans-Jordan.

It has been also said that the Jews are driving the Arabs from the country. This is in no way in accordance with the facts. Actually, the contrary is true and actually the Arabs of Palestine are by far the most prosperous Arab peoples in the Middle

East, in contrast with the fact that at the time of the establishment of the Jewish homeland they were by far the poorest and most backward Arabs in the whole of the Middle East. The Arab population has substantially increased since the Balfour Declaration. Certainly the Colonial Office of the British Government is not prejudiced in favor of the Jews. When Mr. Malcolm MacDonald, Secretary of State for the Colonies in the Chamberlain government, refutes the allegation that the Jews have imposed hardships on the Arabs, the allegation certainly is without foundation in fact. This is what Mr. MacDonald said in the House of Commons on November 24, 1933. Remember, he is said to be the author of the white paper.

The Arabs cannot say that the Jews are driving them out of their country. If not a single Jew had come to Palestine after 1918, I believe that the Arab population of Palestine today would still have been around about the 600,000 figure—instead of over 1,000,000 as at present—at which it had been stable under the Turkish rule. It is because the Jews who have come to Palestine bring modern health services and other advantages that the Arab men and women who would have been dead are alive today, that Arab children who would never have drawn breath have been born and grow strong.

One further word, Mr. President, and I shall be through. The question of the termination of the horrible white-paper policy is not a problem of the Jew. It is a problem of the Christians of the world, and by force of circumstances it is chiefly a problem of the Christians who constitute the Governments of the United States and of Great Britain. As a humble member of the legislative branch of the Government of the United States I feel deeply on this subject. The self-respect of all of us has been challenged and the self-respect of our Government is equally at stake. I hope that other Members of the Congress and of the executive branch of the Government will feel as I do, so that every possible constructive step to alleviate the sufferings of the Jews of Europe will be taken at the earliest possible moment, and that the gates of Palestine will be reopened speedily and permanently in order that those people may find a welcome at the only place on God's green earth where at the moment the governments of the world apparently are willing for them to get a new start in life and live as decent, self-respecting, constructive, helpful citizens as they have always lived in those communities where the Jew is permitted to become a part of his community.

It seems to me that in view of the tragic urgency of the crisis and in view of the President's humanitarian expressions on the subject, the Wagner-Taft resolution should be passed without delay.

Mr. JOHNSON of Colorado. Mr. President, I thank the Senator from Missouri for his very detailed and comprehensive statement of a situation which is rapidly becoming almost intolerable. Next Saturday may become one of the black days in the history of the English-speaking people. Next Saturday will become one of the black days of the history of England, Mr. President, unless in the re-

maining few days of this week the British Government rescinds its iniquitous white paper which halts Jewish immigration into Palestine.

After next Saturday a total of not more than 23,000 Jews will be permitted to go to Palestine, which will include only the men, women, and children who have heretofore obtained visas but have been unable to complete their pilgrimage to their "promised land" because of transportation difficulties. The British Colonial Office charged with the administration of Palestine has graciously consented to extend the validity of their admission certificates until they can be utilized. But after that the gates of Palestine will be closed.

For the past 5 years, Mr. President, or since the white-paper policy has been operative, the British Government has permitted only 10,000 Jewish refugees a year to enter a land which was set aside after the last war, under the initiative of the United States and other Allied Nations, as the haven where these oppressed and harassed people would have the opportunity to rebuild their lives, as was stated to the Senate by the Senator from Missouri.

In the meanwhile, Hitler the maniac, and his henchmen, have been exterminating Jews in Germany, in Poland, and in the occupied countries at an estimated rate of more than 10,000 per day. In other words, Hitler has killed more Jews a day—every day—than Britain has permitted to find refuge in Palestine in a year. Hitler has exterminated more Jews in 5 days in central Europe than the British Government has permitted to enter Palestine in 5 years.

Hitler and Himmler the hangman have now moved into Hungary and Rumania, and once more Jewish slaughter stands first on the agenda of hate in those unhappy lands.

Heretofore tens of thousands of Jews en route to Palestine, halted because of the white paper, have found some sort of asylum in the Balkans. Now Hitler has caught up with them and his Gestapo may be depended upon to do its work thoroughly. The reverses he is suffering in Russia will be expiated by the blood of these helpless people.

Our Government has not been unaware of their plight. Our Government has known that it was necessary to get them out of the Balkans. Brave words have been spoken about saving them; but apparently there was no real effort made to get them to Palestine, the only place where they were really wanted. Palestine could have absorbed an additional two or three million of them and made them helpful allies of our cause—just as it has absorbed the half-million Jews who did get there before 1939—but Palestine has been closed by the white paper. The white paper and its responsible authors have therefore been in effect an ally of Hitler in his diabolical conspiracy for the extermination of the Jewish people of Europe. This is an inescapable conclusion.

While the responsibility for this tragedy is primarily the responsibility of the British Government, we in the United

States must also bear our share of blame. As stated by the Senator from Missouri [Mr. CLARK], to the extent that we failed to voice a protest, the responsibility is also ours. Long ago we negotiated a treaty with Great Britain wherein we consented to British administration of the mandate for Palestine. That convention specifically states in article 7 that no modification shall be made in the terms of the mandate unless such modification has been assented to by the United States.

Curtalement of Jewish immigration during the past 5 years, and the proposed complete stoppage, is in violation of this mandate. Furthermore, any restriction whatsoever of Jewish immigration into Palestine is entirely contrary to the intent, purpose, and spirit of the Balfour Declaration which was the forerunner of the mandate. Has the United States Government ever protested this violation? Has the United States Government ever lifted its voice in behalf of the helpless victims of this unlawful violation of a sacred covenant? The answer is "No."

Just 2 weeks ago—mark you, just 2 weeks ago—President Roosevelt asserted that the American Government has never given its approval to the white paper. Of course, it has not, but neither has it voiced its disapproval. So in the absence of a protest by the United States, the British Government has continued this iniquitous and unlawful policy for 5 years. In those 5 years no one knows how many lives might have been saved. Certainly many tens of thousands would have found safety.

While the President's guarded statement that this Government "has never approved the white paper" does not constitute a formal protest by one government to another concerning the flagrant violation of a treaty, yet it is the only word which has been spoken by a responsible United States official on the subject.

I had hoped that Mr. Churchill in his speech last Sunday would announce a retreat from the white paper, for no one in Britain has been more critical of it than Mr. Churchill. He once described it as a "betrayal." But perhaps he too has become callous to Jewish suffering and travail. Perhaps he, too, is indifferent to the fate of those who still can be saved.

Well, I am not indifferent, Mr. President, and I know the Senate is not indifferent. The Senate ratified the treaty concerning the mandate for Palestine, and it approved by unanimous vote the Lodge resolution of 1922 approving the establishment of the Jewish national homeland. The time has come for the Senate to speak up. The overwhelming majority of American citizens are appalled at the premeditated extermination of the Jewish people. They want justice accorded the Jew. They know that a just settlement of this problem is a Christian problem. They know that in the inhospitable world of today the only place where the Jew of Europe can go is Palestine. I wish it were otherwise, but unfortunately it is not.

Under the circumstances, therefore, we should face realities in the Senate and do all in our power to keep the gates of Palestine open to the end that it shall become a free and democratic Jewish commonwealth. It should become a Jewish national homeland, just as was contemplated when the Balfour Declaration was promulgated more than a quarter of a century ago with the full knowledge, consent, and cooperation of the United States Government. Anything less will be what the eloquent Churchill has termed a "betrayal."

Mr. BRIDGES. Mr. President, I wish merely to take a moment of the Senate's time, in following the remarks made by the distinguished Senator from Colorado [Mr. JOHNSON], to add my protest against the British white paper, which will completely stop Jewish immigration into Palestine on and after next Sunday unless before then the policy be changed.

President Roosevelt, in a recent statement, said:

The American Government has never given its approval to the white paper.

Which is an accurate statement.

The President further stated:

When future decisions are reached, full justice will be done to those who seek a Jewish national home.

It would be a major tragedy if, literally on the eve of our winning World War No. 2, fought in the interest of freedom of all peoples and nations, tens of thousands of additional Jews should perish because of Hitler's fury on one hand and the inability of the Jews to find a place to go, on the other. If Palestine were open, there would be a place for them to go.

From London comes word, I hear, that some change may be made in the British position. I hope so, and I hope that it will mean some constructive action will be taken.

Unfortunately, Palestine is the only place on earth where most of these unfortunate people can go. There they will be given a genuine welcome and safety. There, like others before them, they will become useful, productive citizens.

Palestine, the Jewish national homeland, created by the great statesmen of the British Empire with the full cooperation of American statesmen, is denied to the Jews—the very people it was intended to help—at a time when they need it the most.

The white paper was part of an appeasement era which produced Munich, which, instead of preventing heartaches and bloodshed, produced greater heartaches, more bloodshed, and economic destruction.

Happily, more than 300,000 Jews escaped Hitler and went into Palestine. They became our valued and valiant allies. They have contributed directly to the war effort, both in productive capacity and fighting on the front.

Our Government failed to protest immediately and actively when the British Government took action which was not in accord with the treaty between the two Governments, which says that no

change can be made in the mandate for Palestine without our consent.

The situation is now sufficiently clear so that I hope some change of policy may be worked out in the interest of fairness and justice to humanity.

The need today for a free Palestine is great, but the need will be infinitely greater when the task of rehabilitation begins in the post-war era.

OPERATIONS OF UNITED STATES MARITIME COMMISSION

Mr. AIKEN. Mr. President, last week in the independent offices appropriation bill we appropriated \$6,766,000,000 for the United States Maritime Commission. I did not oppose the appropriation because, as the United States Maritime Commission and the War Shipping Administration are now operated, this amount is probably needed to attain the desired results. However, I have repeatedly called the attention of the Congress to the shortcomings and wastefulness of the United States Maritime Commission and wish to do so again at this time.

The very fact that the Comptroller General's office has repeatedly called the attention of the Congress to the misconduct of the affairs of the Maritime Commission and the fact that the Comptroller General has held up several hundred million dollars which in his opinion the Commission proposed to pay out wrongfully should have resulted in a complete investigation of this Commission a long time ago.

From time to time I have requested and received from the General Accounting Office information concerning Maritime Commission and War Shipping Administration affairs.

A short time ago I requested certain information from the General Accounting Office, and, under date of March 8, the Honorable Lindsay C. Warren wrote me giving such information as was available at that time. I asked for—

The percent of total amount of the purchase contracts that carry recapture provisions as required under section 606 of the Merchant Marine Act, 1936.

I was in error in that I referred to section 606, because it is section 505 (b) of the Merchant Marine Act of 1936 which requires the insertion of recapture clauses in contracts placed by the Maritime Commission.

I ask unanimous consent that section 505 (b) of the Merchant Marine Act of 1936 be inserted in the Record as a part of my remarks at this point.

The PRESIDING OFFICER. Without objection, permission is granted.

Section 505 (b) is as follows:

SEC. 505 (b). No contract shall be made for the construction of any vessel under this act unless the shipbuilder shall agree (1) to make a report under oath to the Commission upon completion of the contract, setting forth in the form prescribed by the Commission the total contract price, the total cost of performing the contract, the amount of the shipbuilder's overhead charged to such cost, the net profits and the percentage such net profit bears to the contract price, and such other information as the Commission

shall prescribe; (2) to pay to the Commission profit, as hereinafter provided shall be determined by the Commission, in excess of 10 percent of the total contract prices of such contracts within the scope of this section as are completed by the particular contracting party within the income taxable year, such amount to become the property of the United States, but the surety under such contracts shall not be liable for the payment of such excess profit: *Provided*, That if there is a net loss on all such contracts or subcontracts completed by the particular contractor or subcontractor within any income taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next succeeding income taxable year: *Provided*, That, if such amount is not voluntarily paid, the Commission shall determine the amount of such excess profit and collect it in the same manner that other debts due the United States may be collected; (3) to make no subdivisions of any contract or subcontract for the same article or articles for the purpose of evading the provisions of this act, and any subdivision of any contract or subcontract involving an amount in excess of \$10,000 shall be subject to the conditions herein prescribed; (4) that the books, files, and all other records of the shipbuilder, or any holding, subsidiary, affiliated, or associated company, shall at all times be subject to inspection and audit by any person designated by the Commission, and the premises, including ships under construction, of the shipbuilder, shall at all reasonable times be subject to inspection by the agents of the Commission; and (5) to make no subcontract unless the subcontractor agrees to the foregoing conditions: *Provided*, That this section shall not apply to contracts or subcontracts for scientific equipment used for communication and navigation as may be so designated by the Commission, and the Commission shall report annually to the Congress the names of such contractors and subcontractors affected by this provision, together with the applicable contracts and the amounts thereof.

Mr. AIKEN. Under date of March 8, 1944, the Comptroller General wrote me a letter from which I quote the following:

Item No. 2: Section 606 of the Merchant Marine Act, 1936, as amended, relates to operating differential-subsidy contracts and, hence, it is presumed that you intended to refer to section 505 of the said act which relates to construction. A large number of the purchase contracts have been examined and, with the exception of one or two instances, the recapture provisions were omitted. It is understood that approximately 20,000 purchase contracts have been entered into and that recapture provisions were inserted in only about 25 or 30 of said contracts. In that connection, see my letter of October 7, 1943, B-32105, to you. There is transmitted herewith a copy of memorandum dated October 20, 1941, to the Commission from its Assistant General Counsel (Exhibit A), and of memorandum dated November 4, 1941 (Exhibit B), showing the action taken by the Commission in the matter.

Exhibit A referred to is dated October 30, 1941, and is a memorandum from Assistant General Counsel Wade H. Skinner to the United States Maritime Commission. The subject is "Recapture of profits in excess of 10 percent," and concludes with a recommendation. I ask leave to have the entire memorandum inserted in the Record at this point, including the recommendation which was made to the Commission by Wade H.

Skinner, assistant general counsel at that time, and which appears at the end of the memorandum.

The PRESIDING OFFICER. Without objection, the memorandum will be printed in the RECORD.

The memorandum is as follows:

EXHIBIT A

OCTOBER 30, 1941.

To: United States Maritime Commission.

From: Assistant general counsel.

Subject: Recapture of profits in excess of 10 percent.

By section 505 (b) of the Merchant Marine Act 1936, as amended, it is provided that no contract shall be made for the construction of any vessel under said act unless the shipbuilder shall agree to pay the Commission profit in excess of 10 percent of the total contract prices of such contracts as are completed by the contracting party within the income taxable year and that such contracting party will not make any subcontract involving an amount in excess of \$10,000 unless the subcontractor agrees to the same conditions. Prime contracts for materials, equipment, and supplies for use in connection with the construction of vessels under the Merchant Marine Act, 1936, as amended, have been considered by the Commission to be subject to the same conditions as prime contracts made by the Commission for the construction of vessels, if such contracts are for amounts in excess of \$10,000. By section 402 of the Second Revenue Act of 1940, approved October 8, 1940, a subcontractor to whom the Excess Profits Tax Act of 1940 is applicable is exempt from the provisions of section 505 (b) if the prime contractor and the subcontractor are not affiliated and if both parties are corporations.

Contracts for the construction of vessels and for the purchase of materials, equipment, and supplies to be used in the construction of vessels pursuant to the authority in Public Law 5 and Public Law 23 (Lend-Lease Act) may be entered into without regard to the requirements of competitive bidding under section 3709 of the Revised Statutes and are not required to contain provisions with respect to recapture of profits. Under section 2 of Public Law 46 the Commission is granted authority to negotiate contracts for the construction of complete vessels or any portion thereof either under the Merchant Marine Act, 1936, or section 4 of Public Law 5 "with or without advertising or competitive bidding upon determination that the price is fair and reasonable" and in connection with such authority to negotiate contracts, the Commission might use contracts providing for payment of cost plus a fixed fee or cost plus a fixed fee with such bonuses and penalties as the Commission may deem necessary to secure maximum performance under such contracts, if for each contract such fixed fee does not exceed 7 percent of the estimated cost of the contract, exclusive of the fee and any bonuses payable thereunder and the aggregate of such fixed fee plus any such bonuses payable thereunder does not exceed 10 percent of such estimated cost. By this provision, negotiated contracts, providing for payment of cost plus a fee, are excluded from consideration in the determination of profit of the contractor under section 505 (b) (2) of the Merchant Marine Act, 1936.

Title III of Public Law 247, approved August 25, 1941, provides for an appropriation supplementing the Commission's construction fund established under the provision of the Merchant Marine Act, 1936, as amended, in addition to the other activities and functions authorized. This title further provides that the provisions of section 2 and 4 and the several proviso clauses contained in section 1 of the act of February 6, 1941 (Public Law 5),

shall apply to all the activities and functions which the Commission is authorized to perform thereunder. Neither sections 2 or 4 nor the several proviso clauses of Public Law 5 make any reference to the Merchant Marine Act, 1936, except section 207 of that act. It is not believed, therefore, that the recapture provisions of the Merchant Marine Act, 1936, are required by law to be made applicable to lump-sum contracts for the construction of vessels or portions thereof under the provisions of Public Law 247. The increase made in the Commission's construction fund by Public Law 247 at most only raises an inference that the provisions of the Merchant Marine Act, 1936, shall be applicable to the activities and functions authorized under this law.

Recent contracts for the construction of vessels on a lump-sum basis, whether pursuant to the Lend-Lease Act or otherwise, have contained provisions for the recapture of profits in excess of 10 percent similar to the recapture provisions incorporated into contracts made pursuant to the Merchant Marine Act, 1936. Such provisions seem to be consistent with the intent of Congress so far as the Commission's activities are concerned, particularly in view of the 10-percent limitation of profit both under the Merchant Marine Act, 1936, and Public Law 46.

Inasmuch as the Commission is engaged in an extensive procurement program of machinery, equipment, parts, and supplies for use in connection with the construction of vessels, the question has arisen as to the necessity or desirability of recapture of profit provisions similar to those required under the Merchant Marine Act, 1936, as amended, in connection with prime contracts made by the Commission for the procurement of materials, machinery, equipment, and supplies in excess of \$10,000 for use in the construction of vessels whether or not such vessels are or will be constructed pursuant to the authority of the Merchant Marine Act, 1936. Since such contracts will in many cases be for materials for vessels under the Merchant Marine Act as well as the Lend-Lease Act or other authority, it would seem necessary in the interest of consistency to make the recapture of profits provisions applicable to the entire quantity of materials purchased. Moreover, in view of the fact that practically all of the lump-sum contracts contain a rather liberal escalator clause, which eliminated most of the contractor's risk, and the limitations on profits imposed by the Merchant Marine Act and by Public Law 46 in connection with cost-plus-a-fixed-fee contracts, it is believed that the Commission's policy should be to the effect that all construction and procurement contracts on a lump-sum basis made by the Commission should carry profit-limitation provisions.

Recommendation: It is recommended that in view of the foregoing, the Commission should determine, as a matter of policy, that all contracts made on a lump-sum basis for the construction of vessels and for materials, equipment, and supplies, whether for use in connection with the construction of vessels or otherwise, provided such contracts are in excess of \$10,000, shall be subject to profit-limitation provisions substantially similar to those required by section 505 (b) of the Merchant Marine Act of 1936. It is further recommended that the Commission authorize the proper officers to take any and all action necessary to effectuate the purposes of the recommendation herein set forth.

WADE H. SKINNER,
Assistant General Counsel.

Mr. AIKEN. This memorandum, Mr. President, is dated October 30, 1941. Exhibit B, referred to by Mr. Warren, is dated November 4, 1941, and shows the

action taken by the Commission on the recommendation of its assistant general counsel, Mr. Skinner. I shall read it as follows:

EXHIBIT B

NOVEMBER 4, 1941.

To: Assistant general counsel.

From: Secretary.

Subject: Recapture of profits in excess of 10 percent.

At a meeting on November 4, 1941, the Commission considered your memorandum of October 30, 1941, on the above subject.

The Commission determined as a matter of policy that all prime contracts in excess of \$10,000 made on a lump-sum basis for the construction of vessels and for materials, equipment, and supplies, whether for use in connection with the construction of vessels or otherwise, shall be subject to a 10-percent profit limitation in cases where such contracts contain an "escalator clause" with respect to material and labor costs.

The Commission further authorized the proper officers to take any and all action necessary to effectuate the purposes of this determination.

W. C. PEET, Jr.,
Secretary.

It would appear from this that the Commission at that time—November 4, 1941—had determined to restrict profits on its contracts in excess of \$10,000 to 10 percent.

Inasmuch as the Comptroller General refers to a letter which he sent to me under date of October 7, 1943, I wish to say that in this letter he makes reference to a letter which was received by him from the Chairman of the Maritime Commission under date of May 29, 1943, reading as follows:

This will acknowledge your letter of May 15, 1943, relative to the noninclusion within the document designated General Provisions, Form No. 8026, and Form No. 8024 of the provisions of section 505 of the Merchant Marine Act, 1936, as amended.

These forms were designed for use in connection with the purchase of materials, supplies, and equipment for vessels to be constructed under the provisions of Public Laws 5, 247, 474, and 630 (77th Cong.) and in the opinion of the Commission's general counsel, the inclusion of the provisions of section 505 (b) of the Merchant Marine Act, 1936, is not required in contracts entered into pursuant to the authority of the afore-mentioned laws.

Thus it would appear from these exhibits that the Maritime Commission had determined on November 4, 1941, that all prime contracts in excess of \$10,000 should be subject to a 10 percent profit limitation; that the Commission at some later date, which I do not know, had decided that it was not necessary or advisable to include a recapture clause in the contracts.

At any rate, according to the Comptroller General, the recapture clause has been inserted in only about 25 or 30 contracts out of 20,000 purchase contracts that have been entered into.

I am not sufficiently versed in law to state whether the Maritime Commission was within its rights in failing to insert a recapture clause in these contracts, as required by section 505 (b) of the Merchant Marine Act of 1936. There is such liberality in the interpretation of law by Government departments and so many

loopholes through which departments can technically escape the congressional intent of a law, that it is impossible for a layman, as well as most lawyers, to venture an opinion or interpretation without being promptly disagreed with.

However, whether the Maritime Commission violated the law or not in failing to include recapture clauses in its contracts, we are, every one of us, interested in the amount of profit allowed by the Commission to its contractors. I do not think there is the slightest doubt that Congress intended to limit profits to cost plus 10 percent.

Now, let us see what profit the Maritime Commission has actually allowed.

I requested the Comptroller General to advise me of the results of renegotiation both where the contracts carried the recapture provisions and where such provisions were not included in the contracts.

I now quote from Mr. Warren's letter in reply to my request:

Item No. 3. Enclosed herewith is a summary of the results of renegotiation by the Price Adjustment Board of the United States

Maritime Commission, together with supporting schedules covering renegotiations from inception to December 31, 1943 (exhibit C). It will be noted that the profit allowed on "sales" amounting to \$898,012,874.07 is \$78,389,734.96, or 9.65 percent, which profit amounts to approximately 10.6 percent of costs.

Since section 505 (b) of the Merchant Marine Act, 1936, as amended, provides for recapture of profits in excess of 10 percent of the contract prices, it follows that the higher the contract price the higher the profit allowance, the elements of cost and capital invested not being for consideration. That is to say, the higher the bid price the higher the profit allowance.

Item No. 4. See summary of renegotiations (exhibit C) and statement under item No. 3. The summary shows that profits allowed under renegotiated contracts exceed 10 percent of cost and, in many instances, exceed 10 percent of "sales" (contract prices). Accordingly, it appears that the profits allowed under renegotiation settlements in those cases exceed the profits that would have been allowed had the recapture provisions of section 505 been incorporated in the contracts—since under the terms of that section profits are limited to 10 percent of the contract price (sales).

The exhibit C referred to is a summary of renegotiations of the United States Maritime Commission Price Adjustment Board from its inception to December 31, 1943, showing the schedule of renegotiations completed, renegotiations miscellaneous, where contracts are not yet executed, renegotiations cleared, and renegotiations resulting in forward price reductions.

It is significant that, of the \$459,919,755.82 representing renegotiations completed, the Maritime Commission has allowed a profit of 10.78 percent on adjusted sales. While I have been furnished with photostat copies of these renegotiation schedules broken down to individual contractors, yet I will ask to have inserted in my remarks at this point only the summary of renegotiations to which I have referred.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Is there objection?

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Summary of renegotiations, U. S. Maritime Commission Price Adjustment Board, from inception to Dec. 31, 1943—Restricted

Description	Total sales subject to renegotiation	Reported profits before Federal income and excess profits taxes	Percent reported profits on sales	Excessive profits recovered	Adjusted sales	Profits allowed on adjusted sales (before Federal taxes)	Percent allowed on adjusted sales	Forward price reductions	Total recovered and forward price reductions
Renegotiations completed (schedule 1).....	\$459,919,755.82	\$105,605,262.16	22.96	\$62,793,792.67	\$397,125,963.15	\$42,811,469.49	10.78	-----	\$62,793,792.67
Renegotiations miscellaneous (schedule 2) (contracts not yet executed).....	278,887,295.35	47,097,162.29	16.89	22,701,071.85	256,186,223.50	24,390,090.44	9.52	-----	22,701,071.85
Subtotal.....	738,807,051.17	152,702,424.45	20.67	85,494,864.52	653,312,186.65	67,207,559.93	10.29	-----	85,494,864.52
Renegotiations cleared (schedule 3).....	159,205,822.90	11,182,175.03	7.02	-----	159,205,822.90	11,182,175.03	7.02	-----	-----
Subtotal.....	898,012,874.07	163,884,599.48	18.25	85,494,864.52	812,518,009.55	78,389,734.96	9.65	-----	85,494,864.52
Renegotiations resulting in forward price reductions (schedule 4).....	451,778,711.00	-----	-----	-----	-----	-----	-----	\$57,321,608	57,321,608.00
Grand total.....	1,349,791,585.07	163,884,599.48	-----	85,494,864.52	812,518,009.55	78,389,734.96	-----	57,321,608	142,816,472.52

Mr. AIKEN. Mr. President, section 505 of the Merchant Marine Act of 1936 provided that all profits in excess of 10 percent should be recovered by the Government. Not only did the framers of this act consider 10 percent an adequate peacetime profit, but we might as well assume that it was considered an adequate profit for the depression years which were then prevailing.

The contracts of the Maritime Commission have expanded from millions to billions of dollars, yet the Commission is allowing contractors a percentage of profit greater than that which was considered adequate during the years of the great depression. How can we lay any claim to maintaining good government in our country—even good wartime government—when we permit such things to continue?

I asked the Comptroller General for the latest balance sheet of the Maritime Commission, and this is what he said. I quote from his letter:

The latest balance sheet available is as of June 30, 1942. A recent examination thereof was made by representatives of this office who reported that the records were in such condition—supporting documents and papers being missing—that a proper verification of the balance sheets of the War Shipping Administration and the United States Maritime

Commission as of June 30, 1942, was impossible.

Again, Mr. President, let me say that the facts I am presenting today concerning conditions prevailing in the operations of the United States Maritime Commission and the War Shipping Administration are the facts that have been determined by the General Accounting Office. The Comptroller General is required by law to report to the Congress transactions of any agency of government which is audited by his office and found to be wrongly or wastefully expending public funds. The Comptroller General has reported many transactions of the Maritime Commission to this Congress. We have done nothing about it.

An investigation of the Maritime Commission would reveal that the Red Sea charter contracts, under which operators with very little capital investment obtained millions of dollars in profits, have never been renegotiated, in spite of the fact that counsel for the Maritime Commission and Lend-Lease have both ruled that these rates are subject to renegotiation.

In order to refresh our memory on the Red Sea charter contracts, I will say that in the year 1941 there were 81 vessels chartered to carry lend-lease goods to the Red Sea. These 81 vessels made 90

voyages. The value of these vessels, with 11 valuations missing, was \$8,256,000. The charter hire amounted to \$31,364,880.11, and the profit on these voyages amounted to \$26,874,176.70, or about three times the value of the vessels themselves.

Considerable publicity was given to these seemingly excessive profits, and there was, naturally, a demand that these steamship companies be required to return part of the profits. It appears, with two exceptions, these being the Weyerhaeuser Steamship Co. and the American President Lines, the companies receiving these tremendous profits have refused to return any of them, I understand on the ground that the costs were paid out of lend-lease funds, and were claimed, therefore, not to be subject to renegotiation by the Maritime Commission.

I ask to insert in the RECORD a table which appears on page 303 of the report of hearings on the Red Sea space charter rates held before the House Committee on the Merchant Marine and Fisheries in March 1943.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of Red Sea voyages

Owner	Vessels	Voyages	Depreciated values	Dead-weight tons	Charter hire	Voyage profits	Profit per weight-ton per month
American Export Lines, Inc.	6	6	\$232,350.57	49,145	\$1,724,918.64	\$1,572,144.52	\$4.70
American Foreign Steamship Corporation	2	2	895,974.26	16,000	634,116.03	481,128.13	5.14
American Hawaiian Steamship Co.	10	10	478,532.54	97,369	3,565,674.79	3,096,749.85	5.65
American President Lines, Ltd.	2	3	307,828.59	39,150	1,181,643.00	814,242.06	3.89
Atlas Trading Corporation	1	1		9,650	261,405.00	57,624.60	.59
Boyd, Weir & Sewell, Inc.	1	1		7,200	374,812.92	385,588.52	9.13
Colmar Steamship Corporation	7	8	695,237.00	75,453	2,967,669.75	2,639,989.25	5.63
Isthmian Steamship Co.	6	7	1,589,581.60	65,940	2,554,540.30	2,529,292.68	6.80
Luckenbach Steamship Co., Inc.	10	12	1,420,857.72	128,428	4,608,456.74	3,879,729.77	5.42
Lykes Bros. Steamship Co., Inc.	4	4	187,208.37	38,975	1,370,440.20	1,318,493.69	5.11
Matson Navigation Co.	4	4	238,779.23	37,440	1,301,901.75	995,390.62	4.12
McCormick Steamship Co.	2	3	146,065.99	26,807	942,641.55	743,516.59	4.87
Nicol, R. A., agent	6	6		54,335	2,066,206.75	1,662,681.97	4.25
Norwegian Shipping & Trade Mission	1	1		8,990	418,967.40	367,230.57	7.76
Shepard Steamship Co.	1	2	167,465.10	16,800	621,513.39	498,554.42	5.73
Sudden & Christenson	1	1		8,565	374,664.75	270,835.20	3.27
The Union Sulphur Co.	1	2		16,868	571,808.80	364,558.12	3.84
Waterman Steamship Corporation	12	12	1,855,800.46	107,736	4,004,987.30	3,733,193.31	5.17
Weyerhaeuser Steamship Co.	4	5	1,037,189.82	49,134	1,818,511.05	1,463,232.83	5.18
Total	81	90	8,256,000.00	853,985	31,364,880.11	26,874,176.70	5.13

¹ Value of 1 ship not available.

Charter hire per deadweight-ton.....\$36.73
 Profit per deadweight-ton.....\$31.47
 Average length of completed voyages (days).....186

Mr. AIKEN. Mr. President, in view of the fact that it has been claimed that

the companies participating in these profits needed the profits, I ask that there be printed condensed balance sheets of these companies appearing on pages 328

to 349 of the report to which I have just referred.

There being no objection, the balance sheets were ordered to be printed in the RECORD, as follows:

American Export Lines, Inc.
 CONDENSED BALANCE SHEETS

	Dec. 31, 1938	Dec. 31, 1939	Dec. 31, 1940	Dec. 31, 1941	Dec. 31, 1942
ASSETS					
Current assets	\$2,060,735.77	\$2,968,796.69	\$6,767,220.01	\$16,743,896.52	\$15,360,235.53
Vessels	\$10,407,235.74	\$13,398,507.30	\$17,807,247.43	\$14,442,002.38	\$11,037,430.15
Less reserves	3,831,118.20	4,349,811.28	4,096,780.29	4,376,961.65	968,938.17
Securities and receivables from subsidiaries	6,576,117.54	9,048,696.02	13,710,467.14	10,065,040.73	10,068,491.98
Special funds and deposits	400,000.00	350,000.00	1,350,000.00	1,350,000.00	1,350,000.00
Vessels under construction	4,811.12	10,188.65	6,269,260.88	10,276,320.79	15,760,477.59
Other assets	107,548.72	475,902.96	582,604.28	1,779,186.94	898,246.58
Total assets	517,865.39	509,408.84	28,679,642.31	40,651,165.15	43,437,451.68
LIABILITIES					
Current liabilities	1,157,620.97	1,850,685.28	2,275,980.80	6,404,668.42	6,947,618.09
Voyages in progress	167,628.35	741,234.68	1,956,363.65	2,819,206.50	
Recapture profits, U. S. Maritime Commission			4,086,711.84	5,084,642.73	5,267,684.03
Other liabilities and reserves	4,282,392.50	5,878,336.60	10,271,510.47	3,335,542.76	103,001.81
Total liabilities and reserves	5,607,541.82	8,470,306.56	18,590,566.76	17,644,060.41	12,318,303.93
CAPITAL					
Capital stock ¹	480,000.00	480,000.00	1,480,000.00	1,480,000.00	1,415,000.00
Capital surplus	594,016.46	592,850.98	592,850.98	592,850.98	592,850.98
Earned surplus	2,985,520.26	3,819,835.62	8,016,224.57	20,934,253.76	29,111,296.77
Total	4,059,536.72	4,892,686.60	10,089,075.55	23,007,104.74	31,119,147.75

¹194,349 of a total of 480,000 shares of common stock are held by Lehman Bros., New York.

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938	Year ended Dec. 31, 1939	Year ended Dec. 31, 1940	Year ended Dec. 31, 1941	Year ended Dec. 31, 1942
Gross profit on shipping operations	\$804,533.81	\$1,656,148.33	\$7,957,951.92	\$14,348,552.43	\$7,614,531.49
Operating differential subsidy	1,217,744.33	1,375,758.51	1,681,020.89	973,847.00	220,076.39
Other income	1,265,916.69	1,312,829.05	281,121.31	228,168.85	370,337.84
Total	1,995,361.45	3,000,077.79	9,920,094.12	15,550,568.28	8,204,945.72
Officers' salaries	\$83,514.53	\$91,105.83	\$96,152.50	\$102,439.97	\$99,622.81
Depreciation of vessels	487,163.37	519,617.48	912,046.57	710,179.16	506,076.89
Other costs and expenses	804,281.79	898,600.26	1,041,137.80	759,649.79	482,918.47
Total	1,374,959.69	1,509,323.57	2,049,336.87	1,572,268.92	1,088,618.17
Net profit before taxes	620,401.76	1,490,754.22	7,870,757.25	13,978,299.36	7,116,327.55
Provision for Federal income taxes	50,000.00	40,000.00	165,000.00	300,000.00	1,061,400.00
Net profit after taxes	570,401.76	1,450,754.22	7,705,757.25	13,678,299.36	6,054,927.55
Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared, common	55	90+	100	150	200
Dividends declared, preferred	\$232,000.00	\$462,000.00	\$480,000.00	\$720,000.00	\$960,000.00
			18,687.50	50,000.00	48,156.25

¹ Loss.

American-Hawaiian Steamship Co.
CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$3, 104, 625.99		\$3, 919, 008.87		\$11, 497, 480.57		\$16, 773, 471.50		\$13, 573, 533.31
Vessels.....	\$21, 604, 816.73		\$21, 780, 507.50		\$15, 047, 710.98		\$14, 598, 801.70		\$9, 017, 144.27	
Less reserves.....	16, 184, 882.15		17, 020, 133.94		12, 941, 915.97		13, 221, 783.88		8, 435, 673.06	
		5, 419, 934.58		4, 760, 373.56		2, 105, 795.01		1, 377, 017.82		581, 471.21
Securities of and receivables from subsidiaries.....		195, 000.00		195, 000.00		1, 045, 000.00		1, 550, 380.00		1, 550, 380.00
Other assets.....		3, 775, 121.68		4, 067, 292.27		1, 637, 178.07		2, 491, 561.55		8, 915, 617.72
Total assets.....		12, 494, 682.25		12, 941, 674.70		16, 285, 453.65		22, 192, 430.87		24, 621, 002.24
LIABILITIES										
Current liabilities.....	581, 240.32		681, 655.08		3, 303, 044.30		8, 003, 468.49		5, 801, 422.42	
Voyages in progress.....	429, 573.56		406, 610.34		862, 993.20		1, 058, 167.95			
Other liabilities and reserves.....	3, 253, 514.54		3, 319, 025.78		1, 150, 000.00		1, 850, 000.00			
Total liabilities and reserves.....		4, 264, 328.42		4, 407, 291.20		5, 316, 037.50		10, 911, 636.44		5, 801, 422.42
CAPITAL										
Capital stock.....	4, 370, 000.00		4, 370, 000.00		4, 358, 000.00		4, 338, 000.00		4, 257, 000.00	
Capital surplus.....	716, 592.98		605, 423.36		268, 237.72					
Earned surplus.....	3, 143, 760.85		3, 558, 960.14		6, 343, 178.43		6, 942, 794.43		14, 562, 579.82	
Total capital.....		8, 230, 353.83		8, 534, 383.50		10, 969, 416.15		11, 280, 794.43		18, 819, 579.82

¹ Includes reserves for vessel replacements, insurance, and contingencies.

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$3,687,838.87		\$3,851,941.51		\$4,989,212.57		\$12,603,724.15		\$7,670,503.12
Other income.....		123,196.29		267,306.29		1,989,328.51		1,500,188.68		753,047.31
Total.....		3,811,035.16		4,119,247.80		6,978,541.08		12,103,912.83		8,423,550.43
Officers' and directors' salaries.....	\$181,371.24		\$181,380.00		\$300,549.84		\$392,575.04		\$240,300.21	
Depreciation of vessels.....	896,973.02		835,251.79		660,981.60		533,563.54		388,459.46	
Other costs and expenses.....	1,986,724.91		2,160,623.74		2,524,560.51		2,520,866.06		1,759,174.91	
Total.....		3,065,069.17		3,177,255.53		3,486,091.95		3,447,004.64		2,387,934.58
Net profit before taxes.....		745,965.99		941,992.27		3,492,449.13		8,656,908.19		6,035,615.85
Provision for Federal income taxes.....		155,000.00		169,000.00		2,570,000.00		5,900,000.00		4,316,300.00
Net profit after taxes.....		590,965.99		772,992.27		922,449.13		2,756,908.19		1,719,315.85
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared.....	10	\$437,625.00	15	\$655,500.00	25	\$1,526,350.00	50	\$2,177,000.00	30	\$1,281,375.00

¹ Loss.

American President Lines, Ltd.
CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$3,822,948.31		\$3,945,069.26		\$5,415,308.39		\$14,549,440.55		\$8,833,380.87
Vessels.....	\$24,784,238.65		\$24,784,238.65		\$26,356,382.59		\$24,816,036.47		\$9,880,365.71	
Less reserves.....	6,370,714.54		7,697,858.23		7,816,219.99		6,434,010.73		3,031,765.89	
		18,413,524.11		17,086,380.42		18,540,162.60		18,382,025.74		6,854,599.82
Securities of and receivables from subsidiaries.....		2,658,800.96		2,630,954.66		2,602,994.69		880,714.57		
Voyages in progress.....		293,673.23				1,036,000.00				
Vessels under construction.....						1,987,515.50		4,703,516.20		17,844,328.43
Other assets.....		1,539,117.68		1,381,583.05						
Total assets.....		26,728,064.29		25,043,987.39		29,581,981.18		38,515,697.06		33,532,309.12
LIABILITIES										
Current liabilities.....	3,875,100.91		3,508,077.97		4,610,402.36		6,192,395.12		6,205,653.26	
Voyages in progress.....			608,319.51		784,399.30		744,264.29			
Recapture of profits, U. S. Maritime Commission.....					1,321,696.45		5,975,237.03		7,525,871.54	
Long-term debt.....	13,430,790.00		11,566,703.10		11,107,788.65		10,681,606.45		5,552,992.34	
Other liabilities and reserves.....	7,630,050.83		8,066,901.61		6,930,017.47		6,413,903.83		5,077,871.62	
Total liabilities and reserves.....		24,935,941.74		23,750,002.19		24,754,304.23		30,007,406.72		24,362,388.76
CAPITAL										
Capital stock ¹	6,784,300.00		6,784,300.00		6,784,300.00		6,784,300.00		6,784,300.00	
Earned surplus.....	² 4,992,177.45		² 5,490,314.80		² 1,956,623.05		1,723,990.34		2,385,620.36	
Total capital.....		1,792,122.55		1,293,985.20		4,827,676.95		8,508,290.34		9,169,920.36

¹ Chiefly owned by U. S. Maritime Commission.

² Deficit.

American President Lines, Ltd.—Continued

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$729,962.53		\$880,928.36		\$4,761,725.26		\$8,807,922.98		\$5,053,658.70
Operating differential subsidy.....		832,644.52		2,542,047.45		3,203,200.57		2,733,643.77		30,135.04
Total.....		102,682.29		3,422,975.81		7,964,925.83		11,541,566.75		5,083,793.74
Officers' salaries.....	\$41,847.53		\$138,726.55		\$138,459.02		\$151,065.58		\$161,929.23	
Depreciation of vessels.....	889,571.84		1,039,616.02		916,082.11		1,336,294.05		876,146.40	
Other costs and expenses.....	2,018,112.90		2,165,803.88		1,855,036.62		1,836,544.75		1,724,889.59	
Total.....		2,949,532.27		3,344,146.45		2,920,477.75		3,323,904.98		2,762,965.52
Net profit before taxes.....		2,846,849.98		78,829.36		5,044,448.08		8,217,661.77		2,320,828.22
Provision for Federal income taxes.....		0		0		0		0		12,350.32
Net profit after taxes.....		2,846,849.98		78,829.36		5,044,448.08		8,217,661.77		2,308,477.90
Set aside for recapture by U. S. Maritime Commission.....						1,321,696.45		4,653,540.58		2,872,330.96

¹ Loss.

Calmar Steamship Corporation

CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets		\$2, 553, 349.00		\$3, 710, 349.00		\$5, 162, 445.00		\$7, 684, 557.00		\$4, 967, 585.00
Vessels	\$2, 312, 815.00		\$2, 312, 815.00		\$2, 312, 815.00		\$2, 312, 815.00		\$1, 420, 579.00	
Less reserves	595, 889.00		1, 265, 225.00		1, 425, 226.00		1, 200, 067.00		806, 284.00	
		1, 316, 926.00		1, 047, 590.00		887, 589.00		1, 052, 748.00		614, 295.00
Voyages in progress								28, 047.00		129, 414.00
Securities of subsidiaries								10, 000.00		10, 000.00
Other assets								484, 603.00		4, 352, 114.00
Total assets		3, 870, 275.00		4, 757, 939.00		6, 050, 034.00		8, 729, 955.00		10, 073, 408.00
LIABILITIES										
Current liabilities	224, 034.00		391, 187.00		873, 725.00		3, 367, 355.00		2, 365, 161.00	
Voyages in progress	168, 701.00		510, 123.00		480, 859.00					
Sundry operating reserves							280, 710.00		2, 403, 944.00	
Total liabilities and reserves		392, 735.00		901, 310.00		1, 360, 584.00		3, 648, 065.00		6, 403, 105.00
CAPITAL										
Capital stock ¹	3, 000, 000.00		3, 000, 000.00		3, 000, 000.00		3, 000, 000.00		3, 000, 000.00	
Earned surplus	477, 540.00		856, 629.00		1, 689, 450.00		2, 081, 890.00		670, 303.00	
Total capital		3, 477, 540.00		3, 856, 629.00		4, 689, 450.00		5, 081, 890.00		3, 670, 303.00

¹ Owned by Bethlehem Steel Corporation.² Includes 3,734,091 deferred credits.

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$725,151.00		\$1,382,146.00		\$2,829,887.00		\$5,166,880.00		\$2,619,391.00
Other income.....				16,424.00		600.00		2,564.00		5,786.00
Total.....		725,151.00		1,398,570.00		2,830,487.00		5,169,444.00		2,625,177.00
Officers' and directors' salaries and other remuneration.....	\$10,475.00		\$18,440.00		\$32,350.00		\$99,967.00		\$75,189.00	
Depreciation of vessels.....	78,276.00		117,467.00		121,129.00		109,940.00		102,094.00	
Other costs and expenses.....	213,959.00		212,785.60		355,070.00		590,714.00		394,421.00	
Total.....		302,710.00		348,692.00		508,549.00		800,621.00		571,704.00
Net profit before taxes.....		422,441.00		1,049,878.00		2,321,938.00		4,368,823.00		2,053,473.00
Provision for Federal income taxes.....		84,124.00		220,789.00		589,117.00		2,626,383.00		1,665,060.00
Net profit after taxes.....		338,317.00		829,089.00		1,732,821.00		1,742,440.00		388,413.00
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared.....			15	\$450,000.00	30	\$900,000.00	45	\$1,350,000.00	60	\$1,800,000.00

Isthmian Steamship Co.

CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$10,206,647.38		\$13,106,546.75		1,222,710.78		\$24,573,183.99		\$29,170,290.74
Vessels.....	\$23,280,444.30		\$23,280,444.30		\$23,306,905.80		\$22,493,878.41		\$13,623,990.59	
Less reserves.....	14,911,485.39		15,732,015.17		16,553,007.97		16,802,488.51		10,901,827.51	
		8,368,958.91		7,548,429.13		6,753,897.83		5,691,389.90		5,022,163.08
Vessels under construction.....								2,242,069.51		
Other assets.....		118,659.55		136,180.47		179,866.75		1,959,355.39		8,954,966.48
Total assets.....		18,784,265.84		20,791,156.35		25,156,475.36		34,466,028.79		41,147,420.30
LIABILITIES										
Current liabilities.....	460,086.74		680,015.55		2,169,083.24		7,035,675.60		7,228,543.11	
Voyages in progress.....	363,746.95		1,519,134.74		3,018,131.58		5,432,573.06		2,299,014.61	
Sundry operating reserves.....	1,521,748.84		1,573,511.59		1,671,359.59		2,446,066.96		4,126,605.34	
Total liabilities.....		2,345,576.53		3,772,661.88		6,858,574.41		14,914,315.62		22,133,066.06
CAPITAL										
Capital stock ¹	10,000,000.00		10,000,000.00		10,000,000.00		10,000,000.00		10,000,000.00	
Capital surplus ²	7,715,940.02		7,715,940.02		7,715,940.02		7,715,940.02		7,715,940.02	
Earned surplus ³	1,277,250.71		4,697,445.55		581,960.93		1,835,773.15		1,298,414.22	
Total capital.....		16,438,689.31		17,018,494.47		18,297,900.95		19,551,713.17		19,014,354.24

¹ Owned by United States Steel Corporation.² Premiums on capital stock issued.³ Deficit.⁴ Includes \$4,852,163.39 miscellaneous other liabilities.

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$2,664,514.88		\$2,660,559.91		\$5,866,667.93		\$9,632,436.38		\$9,277,255.44
Other income.....		457,293.47		486,827.00		521,256.33		515,967.52		539,474.85
Total.....		3,121,808.35		3,153,386.91		6,387,924.26		10,148,403.90		9,816,730.29
Officers' salaries.....	\$51,920.00		\$66,400.00		\$89,650.03		\$110,691.67		\$123,500.00	
Amortization and depreciation of vessels.....	1,237,645.77		1,225,047.86		1,229,252.10		1,248,748.70		1,012,053.81	
Other costs and expenses.....	617,478.84		677,010.89		780,422.66		1,426,551.64		1,794,017.57	
Total.....		1,907,044.61		1,968,458.75		2,099,324.79		2,785,992.01		2,929,571.38
Net profit before taxes.....		1,214,763.74		1,184,928.16		4,288,599.47		7,362,411.89		6,887,158.91
Provision for Federal income taxes.....		135,647.95		105,123.00		635,096.88		2,194,524.86		4,272,801.15
Net profit after taxes.....		1,079,115.79		1,079,805.16		3,353,502.59		5,167,887.03		2,614,357.76
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared.....	10	\$1,000,000.00	5	\$500,000.00	20	\$2,000,000.00	40	\$4,000,000.00	40	\$4,000,000.00

Luckenbach Steamship Co., Inc.

CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$2,019,758.41		\$2,584,259.92		\$3,816,675.27		\$9,133,807.27		\$11,739,392.11
Vessels.....	\$14,047,990.53		\$13,278,995.12		\$14,603,362.97		\$15,650,088.61		\$13,701,510.55	
Less reserves.....	12,914,829.38		12,337,981.05		13,253,077.59		13,561,674.22		12,336,316.42	
Edgar F. & Lewis Luckenbach.....		1,133,161.15		941,014.07		1,350,285.38		2,088,414.39		1,365,194.13
Securities of and receivables from subsidiaries.....		7,690,644.31		7,755,753.12		8,305,163.40		8,327,694.13		8,346,548.49
Other assets.....		3,080,848.43		2,852,121.24		109,950.49		118,767.40		101,628.55
		398,436.37		399,673.68		505,523.62		1,019,522.70		548,427.51
Total assets.....		14,322,848.67		14,532,822.03		14,087,598.16		20,688,205.89		22,101,190.79
LIABILITIES										
Current liabilities.....	1,911,634.42		1,528,525.51		1,393,013.46		4,461,290.77		1,711,124.36	
Voyages in progress.....	509,739.19		504,270.40		754,532.12		2,009,343.51		2,919,025.29	
Owing to subsidiaries.....	1,543,594.92		1,577,785.15		1,459,967.03		588,941.22		652,652.16	
Other liabilities and reserves.....	638,061.24		834,190.33		585,162.07		576,781.59		3,916,201.75	
Total liabilities.....		4,603,029.77		4,444,771.39		4,192,674.68		7,636,357.09		9,199,003.50
CAPITAL										
Capital stock ¹	5,228,250.00		5,228,250.00		5,228,250.00		5,228,250.00		5,228,250.00	
Earned surplus.....	4,491,568.90		4,859,800.64		4,666,673.48		7,823,598.80		7,673,937.23	
Total capital.....		9,719,818.90		10,088,050.64		9,894,923.48		13,051,848.80		12,902,187.23

¹ Owned by Edgar F. Luckenbach.

Luckenbach Steamship Co., Inc.—Continued

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$2,166,802.84		\$2,131,791.48		\$3,409,770.05		\$8,070,385.09		\$3,089,612.79
Other income.....		162,556.09		133,842.11		4,397.02		19,869.40		104,455.93
Total.....		2,104,246.75		2,068,449.37		3,414,176.07		8,090,254.49		2,985,156.86
Officers' salaries.....	\$84,851.20		\$85,836.68		(2)		(2)		(2)	
Depreciation of vessels.....	202,771.48		192,146.08		\$217,291.05		\$308,596.63		\$301,228.05	
Other costs and expenses.....	1,448,580.10		1,504,316.22		1,590,177.66		1,448,135.88		816,410.36	
Total.....		1,736,202.78		1,782,298.98		1,807,468.71		1,756,732.51		1,117,638.41
Net profit before taxes.....		368,043.97		316,150.39		1,606,707.36		6,333,521.98		1,867,518.45
Provision for Federal income taxes.....					760,000.00		2,373,770.93			
Net profit after taxes.....		368,043.97		316,150.39		846,707.36		3,959,751.05		1,867,518.45

¹ Less.² Officers' salaries not stated.

Lykes Bros. Steamship Co., Inc.

CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$2,628,752.94		\$4,961,355.20		\$5,585,426.26		\$8,020,532.64		\$14,418,473.42
Vessels.....	\$3,133,731.87		\$2,946,181.56		\$12,445,222.64		\$14,566,302.84		\$10,688,659.65	
Less reserves.....	901,707.55		986,648.32		886,499.54		1,237,402.97		1,259,234.02	
		2,232,024.32		1,959,533.24		11,558,723.10		13,328,899.87		9,429,425.63
Vessels under construction.....		38,310.11		43,959.26		137,716.44		1,597,154.02		5,248,273.90
Securities of subsidiaries.....		173,670.02		173,670.02		117,177.86		117,177.86		217,827.86
Other assets.....		1,215,770.43		1,902,754.81		8,771,933.39		14,457,139.44		19,778,033.11
Total assets.....		6,288,527.82		9,041,272.53		26,170,977.05		37,520,503.83		49,092,033.92
LIABILITIES										
Current liabilities.....	919,723.01		867,329.22		1,657,131.88		2,979,840.83		2,184,892.42	
Voyages in progress.....	309,557.01		1,906,396.65		3,126,508.52		3,835,939.69		1,555,342.16	
Recapture of profits, U. S. Maritime Commission.....	21,326.86		338,539.92		2,389,508.64		5,613,696.97		5,634,020.29	
Other liabilities and reserves.....	27,071.77		103,610.56		2,053,594.03		1,147,156.82		73,330.39	
Total liabilities and reserves.....		1,268,678.65		3,215,876.35		9,226,743.07		13,576,631.31		9,447,595.26
CAPITAL										
Capital stock.....	3,500,000.00		3,500,000.00		3,500,000.00		3,500,000.00		3,500,000.00	
Earned surplus.....	1,519,849.17		2,325,396.18		13,444,233.98		20,444,272.52		30,144,438.66	
Total capital.....		5,019,849.17		5,825,396.18		16,944,233.98		23,944,272.52		39,644,438.66

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit from shipping operations.....		\$221,040.92		\$1,078,082.04		\$7,331,192.66		\$13,257,206.43		\$11,670,603.27
Operating differential subsidy.....		1,687,527.60		1,340,851.62		1,193,741.53		1,451,684.91		23,392.80
Other income.....		59,562.47		49,817.82						24,342.62
Total.....		1,968,130.99		2,468,751.48		8,524,934.19		14,708,891.34		11,718,338.69
Officers' and directors' salaries.....	\$96,700.00		\$96,450.16		\$108,366.38		\$98,687.50		\$96,900.68	
Depreciation of vessels.....	237,131.38		126,913.71		195,743.94		549,753.06		602,787.08	
Other costs and expenses.....	1,148,628.58		1,000,106.18		1,203,641.84		1,735,493.41		1,618,232.78	
Total.....		1,482,459.96		1,223,470.05		1,507,752.16		2,383,933.97		2,317,920.54
Net profit before taxes.....		485,671.03		1,245,281.43		7,017,182.03		12,324,957.37		9,400,417.85
Provision for Federal income taxes.....					207,315.60		300,170.78			482,778.28
Net profit after taxes.....		485,671.03		1,245,281.43		6,809,866.43		12,024,786.59		8,917,639.57
Profits recapturable by U. S. Maritime Commission.....		21,326.86		317,213.06		2,050,968.72		3,224,185.33		20,336.32
Dividends declared.....			5	\$175,000.00	23.7	\$839,000.00	47.1	\$1,680,000.00	25	\$875,000.00
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount

Matson Navigation Co.

CONDENSED BALANCE SHEETS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
ASSETS										
Current assets.....		\$14,753,326.36		\$16,275,294.87		\$20,216,996.89		\$22,978,960.82		\$34,098,502.17
Vessels.....	\$32,923,701.71		\$33,032,718.29		\$31,289,555.37		\$31,825,325.92		\$29,565,160.24	
Less reserves.....	20,438,764.16		20,410,692.01		19,797,974.08		17,054,199.07		16,744,636.47	
		12,484,937.55		12,622,026.28		11,491,581.29		14,771,126.85		12,820,523.77
		60,589.96		292,775.22		305,266.77				
Voyages in progress.....										
Securities of and receivables from subsidiaries.....		7,273,082.65		6,972,582.65		6,750,677.65		5,079,258.89		5,079,258.89
Construction reserve fund.....								6,338,784.46		6,343,176.36
Vessels under construction.....						2,983,964.40				
Other assets.....		8,144,977.98		8,564,468.82		8,359,493.26		10,495,829.73		11,338,043.45
Total assets.....		42,716,914.70		44,727,147.84		50,107,980.26		59,663,960.75		69,679,504.64
LIABILITIES										
Current liabilities.....	2,023,897.38		1,923,306.52		3,647,600.08		7,389,861.38		12,584,299.03	
Voyages in progress.....							615,807.81		638,957.54	
Other liabilities and reserves.....	2,824,958.81		3,155,293.49		3,161,513.72		5,870,527.82		6,888,020.66	
Total liabilities.....		4,848,856.19		5,078,600.01		6,809,113.80		13,876,197.01		20,111,378.13
CAPITAL										
Capital stock.....	33,204,053.24		33,204,053.24		33,204,040.00		33,204,040.00		33,204,040.00	
Capital surplus.....	945,295.42		957,920.42		970,288.76		970,288.76		970,288.76	
Earned surplus.....	3,718,769.55		5,486,574.07		9,124,537.70		11,613,434.98		15,303,797.75	
Total capital.....		37,868,058.31		39,648,547.83		43,298,866.46		45,787,763.74		49,568,126.51

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$5,836,782.24		\$6,055,037.86		\$8,252,698.35		\$11,040,079.39		\$10,083,585.98
Other income.....		330,533.01		360,690.39		2,543,159.22		1,868,671.37		5,378,951.29
Total.....		6,167,315.25		6,415,728.25		10,895,857.57		12,908,750.76		15,462,537.27
Officers' and directors' salaries.....	\$130,291.00		\$131,005.87		\$125,593.59		\$145,541.35		\$120,992.00	
Depreciation of vessels.....	2,105,899.20		1,636,806.11		1,463,537.13		1,650,278.66		1,585,024.55	
Other costs and expenses.....	1,210,050.25		1,713,209.58		2,132,964.10		2,174,013.01		1,810,370.33	
Total.....		3,447,240.45		3,481,021.56		3,722,094.82		3,969,833.02		3,516,386.88
Net profit before taxes.....		2,720,074.80		2,934,706.69		7,173,762.75		8,938,917.74		11,946,150.39
Provision for Federal income taxes.....		574,054.26		619,056.57		1,800,919.32		4,185,629.88		6,062,590.54
Net profit after taxes.....		2,146,020.54		2,315,650.12		5,372,843.43		4,753,287.86		5,883,559.85
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared.....	5	\$1,659,950.25	6½	\$2,157,389.05	6	\$1,986,423.90	7½	\$2,476,920.60	7½	\$2,469,848.10

Shepard Steamship Co.

CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Nov. 30, 1941		Nov. 30, 1942	
ASSETS										
Current assets.....		\$81,255.75		\$117,964.78		\$1,379,825.31		\$1,834,247.45		\$1,392,274.09
Vessels.....	\$1,112,415.13		\$1,120,193.75		\$431,870.01		\$219,780.96			
Less reserves.....	437,216.30		503,588.34		176,990.48		60,971.18			
		675,198.83		616,605.41		254,879.53		158,809.78		90,000.00
Securities of subsidiaries.....								40,000.00		
Other assets.....		42,218.81		36,145.58		82,550.03		74,001.17		757,720.00
Total assets.....		798,673.39		770,715.77		1,717,254.87		2,107,058.40		2,239,994.09
LIABILITIES										
Current liabilities.....	57,364.26		26,947.99		38,367.55		104,608.23		\$18,010.58	
Voyages in progress.....	25,173.97		121,808.59		107,822.18		71,246.47			
Owing to subsidiaries.....	849,223.30		726,635.46		550,000.00		550,000.00		615,000.00	
Total liabilities.....		931,761.53		875,392.04		696,189.73		725,854.70		633,010.58
CAPITAL										
Capital stock ¹	200,000.00		200,000.00		200,000.00		200,000.00		200,000.00	
Appreciation surplus.....	90,851.45		82,123.47							
Earned surplus.....	\$ 423,939.59		\$ 386,799.74		821,065.14		1,181,203.70		1,406,983.51	
Total capital.....		\$ 133,088.14		\$ 104,676.27		1,021,065.14		1,381,203.70		1,606,983.51

¹ Owned by Shepard Morse Lumber Co.² Deficit.

Shepard Steamship Co.—Continued

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Nov. 30, 1941		Year ended Nov. 30, 1942	
Gross profit on shipping operations.....		\$209,185.31		\$281,877.17		\$440,376.38		\$823,794.45		\$238,556.57
Other income.....		¹ 14,502.41		¹ 25,739.33		919,187.94		17,753.30		¹ 10,133.88
Total.....		194,682.90		256,137.84		1,359,564.32		841,547.75		22,422.69
Officers' salaries.....	(?)		\$20,000.00		\$20,000.00		\$38,191.63		\$42,676.07	
Depreciation of vessels.....	\$56,809.32		57,644.06		32,604.42		19,205.40		7,696.68	
Other costs and expenses.....	108,983.50		135,864.81		123,565.35		94,622.79		42,800.33	
Total.....		165,792.82		213,508.87		182,169.77		152,019.82		93,173.08
Net profit before taxes.....		28,890.08		42,628.97		1,177,394.55		689,527.93		135,249.61
Provision for Federal income taxes.....		0		8,082.07		492,886.24		0		
Net profit after taxes.....		28,890.08		34,546.90		684,508.31		689,527.93		135,249.61
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividend declared.....							56	\$112,919.75	22	\$44,008.81

¹ Loss.² Not shown.

Waterman Steamship Corporation

CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$1,001,747.19		\$1,195,189.53		\$2,188,966.80		\$7,645,842.26		\$10,585,648.66
Vessels.....	\$3,393,447.37		\$3,986,795.14		\$5,121,961.90		\$4,707,837.72		\$12,054,738.91	
Less reserves.....	1,588,685.66		1,939,728.87		2,503,702.19		2,931,641.57		2,121,902.88	
		1,804,761.71		2,047,066.27		2,618,259.71		1,776,196.15		9,932,776.03
Vessels under construction.....								3,112,797.27		
Securities of and receivables from subsidiaries.....		409,114.16		290,111.66		2,241,993.24		5,204,368.08		6,547,040.61
Other assets.....		170,829.97		290,163.98		2,088,862.25		687,306.85		2,918,037.92
Total assets.....		3,386,453.03		3,822,531.44		9,138,082.00		18,426,510.61		29,983,503.22
LIABILITIES										
Current liabilities.....	500,016.77		289,476.10		2,993,360.99		3,918,911.62		7,579,073.00	
Voyages in progress.....	375,293.77		990,513.73		798,235.98		5,002,690.04			
Other liabilities and reserves.....	419,101.42		592,361.71		762,933.93		543,177.83		6,963,285.52	
Total liabilities.....		1,294,411.96		1,872,351.54		4,554,530.90		9,464,779.49		14,542,358.52
CAPITAL										
Capital stock.....	1,102,500.00		1,112,700.00		1,516,600.00		1,516,600.00		1,516,600.00	
Capital surplus.....	37,620.00		37,620.00		53,086.50		53,086.50		53,086.50	
Earned surplus.....	951,621.07		799,859.90		3,013,864.60		7,392,044.62		13,871,458.20	
Total capital.....		2,092,041.07		1,950,179.90		4,583,551.10		8,961,731.12		15,441,144.70

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit from shipping operations.....		\$797,325.40		\$542,787.62		\$4,782,520.29		\$9,210,834.34		\$9,210,187.41
Other income.....				46,000.45						
Total.....		797,325.40		588,788.07		4,782,520.29		9,210,834.34		9,210,187.41
Officers' and directors' salaries and other remuneration.....	\$103,700.64		\$135,658.50		\$176,220.41		\$430,184.94		\$349,892.05	
Depreciation of vessels.....	362,661.25		300,037.55		515,139.89		588,030.30		919,900.23	
Other costs and expenses.....	323,160.18		210,561.76		488,191.01		708,908.40		1,019,460.53	
Total.....		789,522.07		646,247.81		1,179,550.31		1,727,123.64		2,289,252.81
Net profit before taxes.....		7,803.33		¹ 57,459.74		3,602,969.98		7,483,710.70		6,920,934.60
Provision for Federal income taxes.....				1,572.93		942,021.24		4,212,978.76		6,159,029.42
Net profit after taxes.....		7,803.33		¹ 59,032.67		2,660,948.74		3,270,731.94		761,905.18
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared, preferred.....	7	\$23,024.50	7	\$43,263.50	834	\$60,710.13	7	\$69,786.50	7	\$69,786.49
Dividends declared, common.....	25	129,585.00	10	49,465.00	59	309,790.00	120	623,580.00	² 16.8	873,012.00

¹ Loss.² On May 21, 1941, 10 shares of stock were issued for 1 share of old issue.

Weyerhaeuser Steamship Co.
CONDENSED BALANCE SHEETS

	Dec. 31, 1938		Dec. 31, 1939		Dec. 31, 1940		Dec. 31, 1941		Dec. 31, 1942	
ASSETS										
Current assets.....		\$282,288.48		\$509,219.20		\$580,812.24		\$1,364,141.99		\$2,061,268.36
Vessels.....	\$1,739,540.03		\$1,750,799.54		\$2,580,795.81		\$2,606,626.01		\$1,866,616.21	
Less reserves.....	882,055.94		975,709.51		1,063,062.96		1,201,677.75		1,039,817.66	
		857,484.09		775,693.03		1,407,732.85		1,404,948.26		826,798.55
Voyages in progress.....		220,119.63		25,262.12		110,318.23				
Other assets.....		112,758.49		175,020.37		123,881.69		694,540.67		1,280,373.26
Total assets.....		1,472,650.69		1,484,595.72		2,312,745.01		3,433,630.92		4,168,440.17
LIABILITIES										
Current liabilities.....	238,056.51		242,154.76		621,161.97		758,363.38		1,787,439.01	
Voyages in progress.....							1,085,353.24		575,484.55	
Total liabilities.....		238,056.51		242,154.76		621,161.97		1,843,716.62		2,362,923.56
CAPITAL										
Capital stock ¹	800,000.00		800,000.00		800,000.00		800,000.00		800,000.00	
Capital surplus.....	478,635.74		478,635.74		478,635.74		478,635.74		478,635.74	
Earned surplus.....	² 44,041.56		² 36,195.78		412,947.30		311,278.56		526,880.87	
Total capital.....		1,234,594.18		1,242,439.96		1,691,583.04		1,589,914.30		1,805,516.61

¹ Owned by Weyerhaeuser Timber Co.
² Deficit.

CONDENSED INCOME STATEMENTS

	Year ended Dec. 31, 1938		Year ended Dec. 31, 1939		Year ended Dec. 31, 1940		Year ended Dec. 31, 1941		Year ended Dec. 31, 1942	
Gross profit on shipping operations.....		\$202,174.47		\$377,997.13		\$756,269.30		\$1,170,398.88		\$2,097,445.79
Other income.....		3,302.25		1,746.07		2,172.94				3,977.22
Total.....		205,476.72		379,743.20		758,442.24		1,170,398.88		2,101,423.01
Officers' and directors' salaries.....	\$12,787.50		\$13,450.00		\$15,725.00		\$18,495.84		\$19,058.16	
Depreciation of vessels.....	98,732.17		91,565.61		104,810.28		164,348.77		138,459.28	
Other costs and expenses.....	68,114.74		66,297.79		79,837.24		106,709.35		79,250.44	
Total.....		179,634.41		171,313.40		200,372.52		289,553.96		236,767.88
Net profit before taxes.....		25,842.31		208,429.80		558,069.72		880,844.92		1,864,655.13
Provision for Federal income taxes.....		5,007.12		34,535.02		133,936.73		527,554.60		1,352,136.19
Net profit after taxes.....		20,835.19		173,894.78		424,132.99		353,290.32		512,518.94
	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount
Dividends declared.....			20	\$165,000.00			44	\$350,000.00	37.5	\$300,000.00

Mr. AIKEN. Mr. President, starting off with the very first one, American Export Lines, it will be found that this company between 1938 and 1943 increased its assets from \$9,000,000 to over \$43,000,000, that it increased its capital from \$4,000,000 to \$31,000,000, and that while it paid no dividends on preferred stock in 1938 and 1939, it has paid 5 percent for the years 1940, 1941, and 1942.

Here is the most amazing thing of all. This company paid 55 percent dividends on its common stock in 1938, 96 percent in 1939, 100 percent in 1940, 150 percent in 1941, and 200 percent for the year ending December 31, 1942.

If ability to increase its assets 450 percent during these years, and to pay 200 percent dividends on common stock, indicates need of greater profits, then I wonder what these people would be satisfied with.

The American-Hawaiian Steamship Co., for instance, declared a 10-percent dividend in 1938, which was increased to 50 percent in 1941, the year of the Red Sea charter profits, and the company paid 30 percent in 1942.

The American President Lines, of course, is owned practically by the Maritime Commission.

The Calmar Steamship Corporation paid no dividends in 1938, paid 15 percent in 1939, and increased the rate to 60 percent in 1942.

The Isthmian Steamship Co. paid 10 percent in 1938, and increased its dividends to 30 percent in both 1941 and 1942.

And so on, until we get to the Waterman Steamship Corporation, of which we have information, and which paid 25 percent in 1938, and got up to 120 percent in 1941. Then on May 21, 1941, 10 shares of stock were issued for 1 share of the old issue, and it still paid 16.8 percent.

As I have said, only two of these companies, the Weyerhaeuser Steamship Co., and the American President Lines, which latter is controlled by the Maritime Commission itself, have submitted to renegotiation.

I ask leave to insert in the Record a memorandum dated April 28 from Oscar S. Cox, whom I presume to be counsel for the Lend-Lease Administration, to Mr. E. R. Stettinius, Jr.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

OFFICE OF LEND-LEASE ADMINISTRATION,
April 28, 1943.

To: Mr. E. R. Stettinius, Jr.
From: Oscar S. Cox.
Subject: Renegotiation of Red Sea voyage charters.

Beginning in May of 1941, American vessels were used to carry cargo to the Red Sea area for the British Ministry of War Transport. The ships were secured for these voyages by the United States Maritime Commission. Rates and terms were set by negotiation between the owners and the Commission. The charter hire was paid directly to the owners out of defense-aid funds allocated to the Maritime Commission for that purpose.

The rates on these Red Sea voyages were on a space-charter basis until December 1, 1941, when they were placed on a time-charter basis at the standard rates which had been set by the Maritime Commission on July 30, 1941. While operating under the space charters, the owners are alleged to have received excessive profits. It is my opinion that these charter contracts can now and should be renegotiated under the provisions of the act of April 28, 1942, as amended by the act of October 21, 1942.

Section 403 (c) (1) of the act of April 28, 1942, provides:

"Whenever, in the opinion of the secretary of a department, the profits realized or likely to be realized from any contract with such department, or from any subcontract thereunder, whether or not made by the contractor,

may be excessive, the secretary is authorized and directed to require the contractor or subcontractor to renegotiate the contract price."

The charters for the Red Sea voyages, although in form between the British Ministry of War Transport and the shipowners, were in every substantial respect between the Maritime Commission and the owners. The British had made a request to the American Government that shipping be made available to them as a service under the Lend-Lease Act. At the request of the Division of Defense Aid Reports, the Maritime Commission undertook to provide this service. The Commission secured the ships; it negotiated the charter terms and the rates; it made subsequent reductions in these rates; all bills were sent by the shippers to the Commission and were paid directly to the shippers out of lend-lease funds which had been allocated to the Commission; all moneys payable by the owners were received directly by the Commission. The British Ministry had the use of the ships, but they cannot be said in reality to have chartered the ships. Their name appeared on the charter only in order to give them the necessary power to designate cargo, destination, etc. The Maritime Commission was in reality the charterer, since it concluded the bargains with the owners and was responsible for making all payments to them.

It was the clear intent of Congress, through the renegotiation statute, to protect all war contracts made by the Federal Government. The words "any contract with such Department, or . . . any subcontract thereunder whether or not made by the contractor" are clearly intended to include all contracts of such a character that excessive profits made thereunder would result in unnecessary expenditure by the Federal Government. The Red Sea charters are clearly contracts of this character.

Renegotiation of the Red Sea charter contracts is not precluded because the charters were entered into before the passage of the renegotiation statute or because the majority of the voyages had been completed before that date. The renegotiation provisions are "applicable to all contracts and subcontracts hereafter made and to all contracts and subcontracts heretofore made, whether or not such contracts or subcontracts contain a renegotiation or recapture clause" (sec. 403 (c) (6)).

The sole limitation on this retroactive character of the act is not applicable to the Red Sea charters. This provision states that the act is not applicable if "final payment pursuant to such contract or subcontract was made prior to April 28, 1942" (sec. 403 (c) (6) (i)). Although the hire for the Red Sea voyages was paid in probably every case before April 28, 1942, there were other payments for demurrage, and so forth, due to the owners on that date in probably all cases. Even at the present time payments have been made in full for only 15 of the 90 voyages. It is probable that even in these 15 cases some payments were still outstanding on April 28, 1942. The payment of the charter hire, which was usually made soon after the ship sailed, cannot be said to be the "final payment." The total amount due the owner could not be calculated finally until all the various contingencies of the voyage which could raise or lower the charter hire had been determined and until all the various charges arising out of the voyage, such as demurrage, had been calculated. Only then could a true "final payment" be made.

A further limitation on the power to renegotiate is the provision that "no renegotiation of the contract price shall be commenced by the Secretary more than 1 year after the close of the fiscal year of the contractor or subcontractor within which completion or termination of the contract or subcontract, as determined by the Secretary, occurs." This section is not applicable, under

any possible interpretation, to the approximately 50 percent of the voyages which terminated in 1942.

Since the fiscal year of most shipping companies is the calendar year, it may be argued by the owners that no renegotiation can be started now for those voyages which terminated in 1941. In my opinion, the termination for a charter contract is not coincident with the termination of the voyage which is provided for in the charter unless a final financial settlement is reached at the same time. As I have pointed out, even now only 15 percent of the charters have been paid in full. It is very unlikely that any of them was paid in full during 1941.

In the case of the Red Sea voyages, considerable time elapsed after the voyage was terminated before a full accounting could be made. Payment was withheld in order that complete financial statements for each voyage might be prepared by the owners and examined by the Commission. It was necessary to wait until such examinations took place before it could be determined whether payment should be made in full or some form of renegotiation of the contracts should be started. The contracts cannot be said to be completed or terminated until such a financial examination has been made and payment made in full.

Under the provision in question the time of completion or termination of contract is to be determined by the Chairman of the Commission. This provision gives him the clear power to determine that contracts are not completed until full payment is made.

In any event, the section in question applies only to renegotiation of the contract price; it does not concern withholding of payments which would result in excessive profits or the recapture of such profits. The renegotiation statute throughout indicates that renegotiation may take the form of a revision of the contract price or of withholding or recovering excessive profits. See sections 403 (b) (1) and (2), 403 (c) (2), and 403 (d). Even if it be held, therefore, that the provision in question precludes a retroactive lowering of the charter rates, it does not preclude the withholding or recapture of profits which were excessive.

Section 403 (c) (5) provides that a contractor may file "statements of actual cost of production and such other financial statements for any prior fiscal year or years of such contractor or subcontractor, in such form and detail, as the Secretaries [the Chairman] shall prescribe by joint regulation." If notice of renegotiation is not given within 1 year of such filing, the contractor may not "thereafter be required to renegotiate to eliminate excessive profits realized from any such contract or subcontract during such fiscal year or years." It does not appear that any such statements were filed more than 1 year ago. The financial statements for the individual voyages to the Red Sea which were requested by the Maritime Commission were filed during the summer of 1942. It is unlikely that any were filed as early as April 1.

Each of the shippers did file before April 15, 1942, the operating statement for 1941 required by the Commission under section 21 of the Shipping Act of 1916. Such statements have been filed for many years. They do not give sufficient detail for the Commission to determine whether or not profits on individual voyages were excessive. They cannot, therefore, be considered as statements for the purposes of section 403 (c) (5).

Each of the charter hires was for a sum in excess of \$100,000. There can thus be no claim of exemption under section 403 (c) (6) (iii).

It is, therefore, my view that the Red Sea charters may still be renegotiated by the Chairman of the Maritime Commission.

Mr. AIKEN. Mr. President, Mr. Cox holds that the Red Sea voyage charters

can be renegotiated. The last sentence of this memorandum reads as follows:

It is, therefore, my view that the Red Sea charters may still be renegotiated by the Chairman of the Maritime Commission.

I ask leave also to insert in the RECORD a memorandum from Wade H. Skinner, general counsel, United States Maritime Commission, to the United States Maritime Commission, under date of September 6, 1943.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

SEPTEMBER 6, 1943.

To: United States Maritime Commission.

From: General counsel.

Subject: Renegotiation of Red Sea charters.

Only 2 of the 19 operators who participated in the Red Sea venture for the British Ministry of War Transport in 1941 and 1942 have responded to the Chairman's request to make voluntary adjustment of the charter rates paid by the Maritime Commission out of lend-lease funds. Efforts to obtain voluntary adjustments from the remaining 17 operators have been unavailing. It is, therefore, recommended that demand for renegotiation of the charters be made upon 16 of these operators, in accordance with the provisions of the renegotiation law (Public Law 528, 77th Cong., as amended).

One of the operators, the Norwegian Shipping and Trade Mission, is exempt from the act, which does not apply to any contract with "any foreign government or any agency thereof."

Attached is a copy of a memorandum prepared by Mr. Oscar Cox, general counsel of the Lend-Lease Administration (likewise Assistant Solicitor General of the United States) and forwarded to the Chairman of the Commission by the Lend-Lease Administrator. This memorandum holds that the Red Sea charters are subject to the renegotiation statute. The memorandum will, it is believed, fortify the Commission's position if it becomes necessary to refer the matter to the Attorney General for suit.

The statute directs the Chairman, whenever in his opinion the profits realized from any contract with the Commission are excessive, to require the contractor to renegotiate the contract price, and upon such renegotiation to eliminate the excessive profits either by reduction, withholding, repayment, or recovery. The Chairman may bring suit to recover from the contractor any amount of excessive profits actually paid to the contractor.

The memorandum prepared by Mr. Cox discusses the points which may be raised by the contractors against the application of the renegotiation law to the charters in question. Examination of the accounts discloses that one, and possibly two, of the charters may have been closed by final payment within the meaning of the statute.

Attached is a list of the 19 operators who participated in the Red Sea venture, showing the vessels employed, the charter hire paid, the voyage profits, per vessel and by operator, and the amount withheld from final settlement.

It is accordingly recommended:

That the Commission refer the contracts listed in the attachment (excepting the contracts with (a) the Norwegian Shipping and Trade Mission; (b) American President Lines, Ltd.; and (c) Weyerhaeuser Steamship Co.) to the Price Adjustment Board for processing in the usual manner, including report to the Commission of any operator who shall fail to respond, for appropriate citation by the Commission to the Attorney General for recovery by suit from any such contractor.

WADE H. SKINNER,
General Counsel.

Mr. AIKEN. Mr. President, I wish to quote from this memorandum, as follows:

It is accordingly recommended:

That the Commission refer the contracts listed in the attachment (excepting the contracts with (a) the Norwegian Shipping and Trade Mission, (b) American President Lines, Ltd., and (c) Weyerhaeuser Steamship Co.) to the Price Adjustment Board for processing in the usual manner, including report to the Commission of any operator who shall fail to respond, for appropriate citation by the Commission to the Attorney General for recovery by suit from any such contractor.

Yet, Mr. President, in spite of the advice of the attorney for the Lend-Lease Administration and the attorney for the Maritime Commission, these contracts have not been renegotiated, and I have heard of no cases being referred to the Attorney General for recovery by suit up to this time.

An investigation would also reveal that unconscionable profits have been made through the payment by the Commission for almost worthless vessels at 13 to 16 times their legal valuation.

Investigation would further reveal that ships have been sunk at sea which were insured for as high as 64 times their legal valuation as determined by the Maritime Commission itself.

The excuse may be offered that this is wartime, and that we have to put up with such things in wartime; indeed, that excuse has been offered to me by those holding responsible positions in the Maritime Commission itself, but the facts are that mismanagement and wastefulness existed in the Maritime Commission long before the war began.

We need good government always, but we need it more than ever in wartime. Congress may be blind to what is going on in some of our departments, but the people are not. Is it any wonder that millions of them are asking, "What is the matter with the Congress?"

POLITICAL PROPAGANDA DISTRIBUTED TO AMERICAN TROOPS IN GREAT BRITAIN AND PROPAGANDA UNDER O. P. A.

Mr. BYRD. Mr. President, some time ago I read into the RECORD a letter I wrote on February 22 to the Honorable Elmer Davis, of the Office of War Information, with respect to the distribution by the British Ministry of Information of a 4-page tabloid newspaper to all American troops, which contained, without crediting to any source, the following:

Roosevelt's opponents are ready to spend \$50,000,000 to beat him if—as they assume—he makes a fourth-term bid for President at the November elections.

The Ministry of Information declined to permit an American press reporter to examine a copy of the issue which contained the story.

In response to my inquiry, Mr. Davis advised me that the British Ministry of Information has had a large quantity of 4-page leaflets prepared and that it was true that this story was contained in the leaflets that were distributed to American troops.

Upon further inquiry from me as to where this story originated, I was informed by Mr. Davis that it originated

with the British United Press. I then communicated with the British United Press and have received a letter from Mr. R. W. Keyserlingk, managing director of the British United Press at Montreal, to the effect that this article was sent by one of the staff writers of the British United Press at New York, and that the fifty-million-dollar estimate was his own; that he had no information to sustain this statement, which was purely conjectural on the part of this correspondent.

I am not disputing the right of a news agency to send out news dispatches, but I desire again to emphasize that the British Government should not, by direction or indirection, or in any way whatsoever, attempt to influence an election in the United States by the distribution to American troops of any information through an official document which would tend to influence the opinion of these troops in an American election.

In this instance it is now admitted that the story was without foundation, and the insertion of it in an official British publication to be distributed to our troops can be regarded in no other way than as purely political propaganda.

I speak as a friend of the British Government, but I say that nothing will do more to destroy the unity between our two countries than occurrences such as this. The American people will bitterly resent any outside interference in our elections here, and any effort along this line by the officials of the British Government will do incalculable harm to the cordial relations that must exist between our two great nations if we are to solve the war problems confronting us.

I am inserting this in the CONGRESSIONAL RECORD because I think the representatives of Great Britain in America should inform those who control these leaflets which are being distributed to American troops that they can do no greater disservice to their country than to insert political propaganda in these publications which are given to American troops while they are on British soil.

I ask unanimous consent, Mr. President, to insert as a part of my remarks the entire correspondence, both with the Director of War Information and the British United Press.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

FEBRUARY 22, 1944.

HON. ELMER DAVIS,
The Office of War Information,
Washington, D. C.

MY DEAR MR. DAVIS: I have just seen the Associated Press dispatch from London, dated February 19, which is as follows:

"To give American troops newly arrived in Britain a quick fill-in of the news they have missed while afloat the British Ministry of Information distributes a little four-page tabloid newspaper at ports of arrival.

"A recent issue, it was learned today, carried the following story, not credited to any source.

"Roosevelt's opponents are ready to spend \$50,000,000 to beat him if—as they assume—he makes a fourth-term bid for President at the November elections."

"The Ministry of Information declined to permit an Associated Press reporter to ex-

amine a copy of the issue which contained the story. However, the same story was published in the London Daily Express."

I cannot imagine anything more disruptive of the relations between Great Britain and America than for the British Ministry of Information to attempt to propagandize American troops in the coming election, especially when such propaganda is based on rumor and is submitted without details or proof.

I would be obliged to you if you would investigate the matter and ascertain whether this report is correct, namely, that the British Ministry of Information is distributing a newspaper to all of the American troops arriving in Great Britain and including in this newspaper such items as the quotation above given—to the effect that the opponents of Roosevelt are ready to spend \$50,000,000 to defeat him.

As the final effort is being made by Great Britain and America to administer the death blow to our enemies, it is vital that our relations not be disturbed by an attempt on the part of Great Britain to influence by propaganda, or otherwise, the results of our election.

We Americans will fight out our political battles within our own shores and any effort by foreign nations to influence this election will be deeply resented. Nothing more mischievous could be done to disturb the harmony that should exist in time of war between two great peoples who are fighting side by side for the common cause.

Cordially yours,

HARRY F. BYRD.

FEBRUARY 24, 1944.

The Honorable HARRY F. BYRD,
United States Senate,
Washington, D. C.

DEAR SENATOR BYRD: In your letter of February 22 you call attention to recent stories in the press concerning the distribution to American troops arriving in Great Britain of a four-page leaflet sponsored by the British Ministry of Information. One leaflet was reported to contain a news story to the effect that the political opponents of President Roosevelt are ready to spend \$50,000,000 to defeat him should he run for another term.

Upon inquiry, I find the facts to be these.

In a laudable effort to extend hospitality to arriving American troops, the British Ministry of Information has had a large quantity of four-page leaflets prepared. With two of the pages left blank, these leaflets are distributed to various of the principal ports of entry in the British Isles, where they are placed in the hands of local newspaper editors. Upon learning of the arrival of American troops, the local editors select recent items of American news in which they think the American soldiers will be interested. They print these news items on the blank pages, and distribute the leaflets to the troops.

In the case under discussion a local editor at one of the ports, on his own initiative and not at the instigation of the British Ministry of Information, selected as a news item the story to which you have referred. It is my understanding that this story was sent from the United States by one of the news agencies as part of the agency's regular news file, and that it had appeared in a number of British papers a day or two before it was picked up and reproduced in the leaflet for American troops. It is my further understanding that proper steps have been taken to see that local editors use better judgment in the future.

I am quite satisfied that the incident represents a mistake by an editor who proved to be more newspaperman than diplomat, and that it was not, by any stretch of the imagination, a studied attempt by any British

governmental agency to influence political trends in the United States.

Cordially,

ELMER DAVIS.

FEBRUARY 28, 1944.

HON. ELMER DAVIS,
*Director, the Office of War Information,
Washington, D. C.*

MY DEAR MR. DAVIS: Thank you very much for your prompt reply to my letter of February 22, with respect to the distribution by the British Ministry of Information of a leaflet containing a news story to the effect that the political opponents of President Roosevelt are ready to spend \$50,000,000 to defeat him should he run for another term.

This is such obvious propaganda that I am surprised the officials of the British Ministry of Information did not appreciate their unethical action in including this in the four-page leaflet distributed under the auspices of the British Government to the American soldiers as they arrived in England.

I note this was sent to Great Britain by one of the news agencies. Could you give me the name of the news agency and likewise let me know whether the O. W. I. approved sending this dispatch abroad? Furthermore, would you be kind enough to send me a copy of this leaflet and future leaflets as they are distributed to the American troops?

Thanking you, I am,
Cordially yours,

HARRY F. BYRD.

FEBRUARY 29, 1944.

HON. HARRY F. BYRD,
*United States Senate,
Washington, D. C.*

DEAR SENATOR BYRD: I am informed that the agency which sent the news story about the alleged raising of \$50,000,000 to defeat the President, should he run for another term, was the British United Press. As for your question, whether the O. W. I. approved sending this dispatch abroad? I am a little at loss to understand it. We have, of course, no right to approve or disapprove any dispatches sent abroad by news agencies, nor do we in ordinary course have any knowledge of their contents until they are seen in print by our offices overseas.

We should be glad to try to obtain for you any future leaflets distributed to American troops, but suggest that delay might be obviated if you applied directly to the office of the British Ministry of Information in the Embassy here, from whom we should have to get them.

Cordially,

ELMER DAVIS,
Director.

MARCH 3, 1944.

THE BRITISH UNITED PRESS, LTD.,
Washington, D. C.
(Care of the United Press.)

DEAR SIR: Attached is a copy of a letter I have received from Mr. Elmer Davis, Director of the Office of War Information.

Will you kindly inform me from what source you obtained the report which was published in the British papers and then republished in the leaflet distributed to American troops arriving abroad, as follows:

"Roosevelt's opponents are ready to spend \$50,000,000 to beat him if—as they assume—he makes a fourth-term bid for President at the November elections."

Thanking you, and with best wishes, I am,
Cordially yours,

HARRY F. BYRD.

MONTREAL, CANADA, March 15, 1944.

SENATOR HARRY F. BYRD,
United States Senate, Washington, D. C.

DEAR SENATOR BYRD: As your Washington office probably informed you, I made a trip to New York and Washington last week in

connection with the British United Press dispatch which appeared in the British press in January estimating that \$50,000,000 would be spent in attempt to defeat President Roosevelt for a fourth term.

I found that this story was written by one of our staff writers and that the \$50,000,000 estimate was his own.

It is a violation of our traditional news policy for any correspondent to use his own estimate in a matter of this kind and I can assure you that the correspondent in question has been properly reprimanded so that nothing of this sort is likely to happen again.

With best wishes, I am,
Sincerely,

R. W. KEYSERLINGK,
*Managing Director,
British United Press, Ltd.*

MR. BYRD. Mr. President, I now want to call attention to another piece of political propaganda sent out by one of the agencies of the Federal Government at the expense of the United States taxpayers and printed and mailed under Government frank, but the worst of it is that it was sent to 890 local war price and rationing boards in an official communication.

This quite lengthy article of political propaganda was signed by G. C. Adams, Social Circle, Ga., and concludes with these words:

Let's lay aside our mulligrubs, and get on our knees and thank God for Roosevelt and his N. R. A., O. P. A., A. A. A., and F. H. A.

I immediately took up the matter with Mr. Chester Bowles, Administrator of the Office of Price Administration, and received a letter in reply, in which he admits that this article was sent from the Atlanta office under the official stationery of the O. P. A. He has imposed upon the person who sent out the article the punishment of requiring him to pay the cost of the publication. As a matter of fact, I think any employee of the Government who would so abuse the franking privilege as to send out such an article as this as an official communication should be dismissed from the public service.

I am glad, however, that Mr. Bowles states in his letter that he is using this example again to caution his staff in Washington and in the field that the operation of price control, rationing, and rent control must be kept completely free of politics.

This is but another instance of the abuse of the franking privilege by the thousands of branch and local offices of the different bureaus of the Government. It recalls the fact that not long ago an article was sent out under Government frank attacking the Senator from Georgia [Mr. GEORGE], the Senator from Tennessee [Mr. McKELLAR], and myself because of a stand we took in reducing an appropriation which was resented by the employees of this agency of the Government.

I ask unanimous consent to insert as a part of my remarks the letter I received from a member of a rationing board in Virginia, in which he enclosed the circular in question. For obvious reasons I have withheld this person's name and address.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 28, 1944.

DEAR SENATOR BYRD: In serving as chairman of the war price and rationing board, I see most of the printed matter sent out by O. P. A. I am enclosing a recent circular which was received at our rationing board office, in Government franked envelope, which smells to high heaven of politics.

In passing this along to you, I call your attention to the last paragraph of the circular.

The letter was mailed out of Atlanta office of O. P. A. I would say that most of the Eastern and Southern States rationing boards received it. It is quite possible that it was given national prominence.

Most of the printed matter of this nature is consigned to the waste basket, but I thought you might be interested in this particular one.

MR. BYRD. Mr. President, I also ask unanimous consent to have printed in the RECORD my letter to Mr. Bowles and his reply thereto.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 29, 1944.

HON. CHESTER BOWLES,
*The Office of Price Administration,
Washington, D. C.*

MY DEAR MR. BOWLES: It has just been called to my attention that the enclosed letter was mailed out of the Atlanta office of the Office of Price Administration in a Government franked envelope.

Is it possible that your organization is disseminating political propaganda such as this at Government expense?

I would appreciate your advice as to who paid for the printing of this letter and as to whether it has been generally distributed over the country.

Cordially yours,

HARRY F. BYRD.

THE HONORABLE HARRY F. BYRD,
*United States Senate,
Washington, D. C.*

DEAR SENATOR BYRD: Thank you very much for calling to my attention the reprint of a letter to the Atlanta Journal, which our Atlanta office had mailed out.

Frankly, this came to me as very much of a shock. An investigation has disclosed the following facts:

This letter to the editor appeared in the Atlanta Journal February 3. On February 4 the Atlanta regional information executive directed the Office for Emergency Management to reprint 3,000 copies to be included with the weekly letter that the regional O. P. A. office sends to its 890 local war price and rationing boards. The entire printing was used for this mailing within the organization. The Atlanta office distributed no copies to the public, and none outside its region. The printing cost \$8.84.

Because the letter contained figures showing increases in farm income in the last 10 or 12 years, the Atlanta regional information executive thought that it would be of interest to local boards.

However, it is apparent that the letter might be interpreted to have political implications, and politics is none of O. P. A.'s business. Obviously, the order to print the relatively few copies that were run off was a serious error of judgment.

I have directed that the man responsible for the printing shall pay the bill himself so that there will be no expense to the Government. In addition, I am using this example again to caution our staff, in Washington and in the field, that the operation of price

control, rationing, and rent control, must be kept completely free of politics.

Again, thank you for your courtesy in calling this to my attention.

Sincerely,

CHESTER BOWLES,
Administrator.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BREWSTER. I should like to ask the Senator from Virginia a question. As I understand, the British agencies involved have admitted now the utter error of the statement in question, and that it was without foundation. Does the Senator know whether any steps have been taken or are to be taken to see to it that these erroneous reports are corrected?

Mr. BYRD. I will say to the Senator from Maine that I do not know of any steps that have been taken along that line. The item was sent by the British United Press, and I received a letter from the British United Press, as follows:

As your Washington office probably informed you—

The letter was sent to me from Montreal, Canada—

I made a trip to New York and Washington last week in connection with the British United Press dispatch which appeared in the British press in January estimating that \$50,000,000 would be spent in attempt to defeat President Roosevelt for a fourth term.

I found that this story was written by one of our staff writers and that the \$50,000,000 estimate was his own.

It is a violation of our traditional news policy for any correspondent to use his own estimate in a matter of this kind and I can assure you that the correspondent in question has been properly reprimanded so that nothing of this sort is likely to happen again.

Mr. BREWSTER. Has the Senator from Virginia inquired from Mr. Elmer Davis as to whether or not he would take appropriate steps to see that there was inserted in the Army publication in Great Britain which goes to our troops an authoritative statement summarizing what the Senator has found?

Mr. BYRD. I will say to the Senator that I asked Mr. Davis to do that, and he writes me:

I am quite satisfied that the incident represents a mistake by an editor who proved to be more newspaperman than diplomat, and that it was not, by any stretch of the imagination, a studied attempt by any British governmental agency to influence political trends in the United States.

Mr. BREWSTER. Would not good faith be shown by a readiness and willingness to give to our soldiers in Great Britain a correction?

Mr. BYRD. I entirely agree with the Senator, and I will suggest to Mr. Davis that such action be taken.

Mr. BREWSTER. I think it would be most appropriate.

NORTH DAKOTA LEADERSHIP IN FOURTH WAR LOAN DRIVE

Mr. LANGER. Mr. President, I am very proud to bring to the attention of the Senate the record of the State of North Dakota in the fourth war-loan drive. I hold in my hand an article which appeared in the Dunseith Journal

for March 23, in which the war-loan record of the State of North Dakota is stated. The article reads as follows:

NORTH DAKOTA TOPPED THE NATION IN FOURTH WAR LOAN

North Dakota topped the Nation in percent of series E War bond quota reached during the fourth war-loan campaign, according to an official release by the Treasury Department giving the final report of the fourth war loan.

The three leading States in percent of series E quota are: North Dakota, 181 percent; Wyoming, 152 percent; Iowa, 147 percent. North Dakota ranked second in percent of total quota. The three leading States are: Mississippi, 154 percent; North Dakota, 153 percent; Minnesota, 144 percent. Our State was also in second place in percent of individual quota reached. The three leading States are: Florida, 148 percent; North Dakota, 139 percent; Oregon, 135 percent.

R. R. Wolfer, executive director, North Dakota war finance committee, in a statement today said that this outstanding record was made possible by the patriotic service of more than 12,000 volunteer workers throughout the State serving on county and local war finance committees. He said that the help and cooperation of the schools of the State was also an important factor in the success of the campaign.

Mr. Wolfer pointed out that North Dakota's War bond sales record during the fourth war-loan campaign, which ranked North Dakota first or second in all three quotas, places our State at the very top among the States of the Nation. He further stated that this record proves the determination of North Dakota people to "back the attack" to a finish. He said that our people were ready and willing to make all their War bond quotas, not only in the expanded war-loan drives, but also in the regular month-to-month campaigns.

The North Dakota series E, F, and G War bond quota for March is \$2,600,000.

Mr. President, I wish to say that North Dakota's record was made despite the fact that the administration has not placed a single war industry within the borders of our State. North Dakota is the only State in the Union which has not received one war industry during the present war.

SYNTHETIC LIQUID FUELS—CONFERENCE REPORT

Mr. O'MAHONEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1243) authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That the Secretary of the Interior, acting through the Bureau of Mines, within the limits of critical materials available, is authorized for not more than five years to construct, maintain, and operate one of more demonstration plants to produce synthetic liquid fuels from coal, oil shale, and other substances, and one or more demonstration plants to produce liquid fuels from agricultural and forestry products, with all facilities and accessories for the manufacture, purification, storage, and distribution of the prod-

ucts. The plants shall be of the minimum size which will allow the Government to furnish industry the necessary cost and engineering data for the development of a synthetic liquid fuel industry and of such size that the combined product of all the plants constructed in accordance with this Act will not constitute a commercially significant amount of the total national commercial sale and distribution of petroleum and petroleum products. Any activities under this Act relating to the production of liquid fuels from agricultural and forestry products shall be carried out in cooperation with the Department of Agriculture and subject to the direction of the Secretary of Agriculture.

"Sec. 2. In order to carry out the purpose of this Act, the Secretary of the Interior is authorized—

"(a) to conduct laboratory research and development work, and with pilot plants and semiworks plants to make careful process engineering studies along with structural engineering studies in order to ascertain lowest investment and operating costs, necessary to determine the best demonstration plant designs and conditions of operation;

"(b) to acquire, by purchase, license, lease for a term of years or less, or donation, secret processes, technical data, inventions, patent applications, patents, irrevocable nonexclusive licenses, and other rights and licenses under patents granted by this or any other nation; to acquire by purchase, lease for a term of years or less, or donation, land, and any interest in land (including easements and leasehold interests), options on real or personal property, and plants and their facilities; to assume the obligation to pay rentals in advance on property so acquired, and to pay damages arising out of the use of any such property: *Provided, however*, That the maximum quantity of land or any interest therein, or any other property, acquired hereunder shall not exceed that necessary to carry on experiments for the purposes herein provided;

"(c) to engage, by contract or otherwise, engineers, architects, and any private industrial organization or any educational institution he deems suitable, to do all or any part of the work of designing, constructing, or operating the plants, the operation to be under his supervision, and through leases or otherwise as he believes advisable;

"(d) to cooperate with any other Federal or State department, agency, or instrumentality, and with any private person, firm, educational institution, or corporation, in effectuating the purposes of this Act.

"Sec. 3. The Secretary of the Interior is authorized to sell the products of the plants at not more than actual cost, including amortization of capital expenses, as determined by him, to any department, agency, or instrumentality of the Federal or any State government, but priority shall be given to orders placed by the War or Navy Departments. Any remaining products may be sold at going prices to any purchaser through regular commercial channels. The Secretary of the Interior, subject to approval by Congress, shall also have authority to dispose of any lands or other real or personal property acquired, but in his opinion no longer useful, for the purposes of this Act; and he shall have authority to grant, on such terms as he may consider appropriate, licenses under patent rights acquired under this Act: *Provided*, That such licenses are consistent with the terms of the agreements by which such patent rights are acquired. No patent acquired by the Secretary of the Interior under this Act shall prevent any citizen of the United States, or corporation created under the laws of the United States or any State thereof, from using any invention, discovery, or process covered by such patent, or restrict such use by any such citizen or corporation, or be the basis of any claim against any such person or corporation on account of such use.

"Sec. 4. All moneys received under this Act for products of the plants and royalties shall be paid into the Treasury as miscellaneous receipts. The Secretary of the Interior shall render to Congress on or before the first day of January of each year a report of all operations under this Act.

"Sec. 5. The Secretary of the Interior may issue rules and regulations to effectuate the purposes of this Act. The authority and duties of the Secretary of the Interior under this Act shall be exercised through the Bureau of Mines of the Department of the Interior.

"Sec. 6. There is authorized to be appropriated not to exceed the sum of \$30,000,000 to carry out the provisions of this Act."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same with an amendment as follows:

Amend the title to read as follows: "An Act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shales, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes."

And the House agree to the same.

JOSEPH C. O'MAHONEY,
CHAN GURNEY,

Managers on the part of the Senate.

JENNINGS RANDOLPH,
JOHN M. ROBSON,

Managers on the part of the House.

Mr. O'MAHONEY. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. LANGER. Mr. President, as I understand the bill, it deals with the development of the coal and other fuel resources of the West.

Mr. O'MAHONEY. The bill is the synthetic-fuels bill.

Mr. LANGER. I believe it is the bill the passage of which we have been endeavoring to secure for some time.

Mr. O'MAHONEY. It has been under consideration in the last Congress and in the present Congress, and the Senator from North Dakota has been very much interested in securing its passage.

The PRESIDING OFFICER. The question is on agreeing to the report.

The report was agreed to.

INCREASED POSTAL AND OTHER RATES UNDER NEW TAX LAW

Mr. LANGER. Mr. President, I rise to bring to the attention of the Senate the manner in which a part of the new tax bill which went into effect yesterday will penalize the people who patronize the post offices, which are owned by the people themselves, and will favor the banks, the express companies, and the monopolies. In the West we have a saying, "You don't have to eat a whole beef to find out whether it is tainted." Therefore, Mr. President, without mentioning the major defects of the tax bill which has just gone into effect, I quote an advertisement published in a North Dakota newspaper. It was published in the March 22, 1944, issue of the Bismarck Tribune, on page 8. The advertisement was inserted by the Dakota National

Bank & Trust Co., and is entitled "Bank Money Orders Cost Less." It reads as follows:

Bank money orders cost less; and as of March 26, 1944, the saving will be even greater. Here's the new schedule of postal money orders as compared to the cost of our bank money orders.

Amount	Postal money order	Our bank money order
\$0.01 to \$2.50.....	\$0.10	\$0.05
\$2.51 to \$5.....	.14	.05
\$5.01 to \$10.....	.19	.10
\$10.01 to \$20.....	.22	.10
\$20.01 to \$40.....	.25	.10
\$40.01 to \$50.....	.30	.10
\$50.01 to \$60.....	.30	.15
\$60.01 to \$80.....	.34	.15
\$80.01 to \$100.....	.37	.15

¹ \$0.10 per hundred or fraction.

Bank money orders cost less, they are available in whatever amount is required, a receipt is issued for your record, and the canceled money order is retained in our files for future reference. When you need money orders come to the Dakota National Bank, "the friendly bank." Affiliated with Northwest Bancorporation; member, Federal Deposit Insurance Corporation.

From the schedule which appears in the advertisement we find that a money order for an amount between 1 cent and \$2.50 will cost, if purchased at a post office, 10 cents; but if it is purchased at a bank in the same town, the cost will be 5 cents.

Likewise, under the new tax measure, if one buys at a post office a money order for an amount anywhere between \$2.51 and \$5, the cost will be 14 cents, whereas one can go to any bank in that town and buy a money order in the same amount for 5 cents. If a money order is bought at a post office, which is owned by the people, for an amount between \$5.01 and \$10, it will cost 19 cents, but one can go to any bank and buy it for 10 cents. If the money order is for an amount between \$10.01 and \$20, if one buys it at a post office, the cost is 22 cents, but one can go to any bank and buy it for less than half, or for 10 cents. Under the new tax bill, of which some people are so proud, if one buys a money order for an amount anywhere between \$20 and \$40 at a post office, it will cost 25 cents, but the same money order at any local bank will cost 10 cents. If a person buys a money order for an amount anywhere between \$40.01 and \$50 at a post office, it will cost 30 cents, but it can be bought at a bank for 10 cents. A money order for an amount between \$60 and \$80 will cost at a post office 34 cents, but at a bank the cost will be 15 cents. A money order for an amount anywhere between \$80 and \$100 will cost 37 cents at a post office, but will cost only 15 cents at a bank.

So, Mr. President, we see that the law passed by the Congress is putting our own Post Office Department out of business insofar as the issuing of money orders is concerned. The rates charged are so high that, as I said before, a money order for an amount anywhere between \$80 and \$100 will cost 37 cents at a post office, but will cost only 15 cents at a bank. So there will be a saving of 22

cents to the patron of the bank. I say that the increased postal rates will result in having the business diverted from the post offices to the banks insofar as money orders are concerned.

Mr. President, under the new tax rates, registration fees are increased approximately one-third, and insurance and c. o. d. fees are doubled. The local letter rate has been increased from 2 to 3 cents an ounce. The domestic air-mail rate has increased from 6 to 8 cents an ounce.

All of us are familiar with the terrific fight put up a few years ago against the parcel post by the express companies; yet we find that every parcel post package will require at least 1 cent more in postage, under the new tax bill, which requires an increase of 1 cent or 3 percent, whichever is the greater, this at a time when the express companies are making more money than ever before in their history, and when we have the situation described a few moments ago by the distinguished junior Senator from Vermont [Mr. AIKEN].

This Congress, which refused to tax future issues of tax exempt securities and was so eager to pass the \$9,000,000,000 Ruml income tax forgiveness, and which also refused to limit salaries to \$25,000, increased the tax on electric light bulbs 15 percent, so light bulbs, which formerly cost the laboring man or the farmer \$1, will now cost him \$1.15. Charges for telephone services will increase to another 5 percent on local service, and 15 percent more on toll calls.

Mr. President, I rise to congratulate myself for having voted against this tax bill, and to express the hope that when the people of this country really understand what a miserable tax bill was passed by this body, they will more closely watch future tax legislation.

When this tax bill was under consideration I said that more millionaires would be created in World War No. 2 than were created in World War No. 1. I said then that the large corporations were making more money after taxes were paid than ever before in the history of America, and I repeat that assertion today. The poor people, and not the rich, are the ones who are paying for this war.

FIRST DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 4346) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1944, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1944, and for other purposes.

The PRESIDING OFFICER. The clerk will proceed to state the amendments reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—General appropriations—legislative," on page 2, after line 2, to insert:

SENATE

For the payment to Elysabeth C. Barbour and Sharon Barbour, daughters, and Warren Barbour, son, of W. Warren Barbour, late a Senator from the State of New Jersey, \$10,000, as follows: One-third thereof to Elysabeth C.

Barbour, and two-thirds to Frederick K. Barbour and Charles S. McVeigh, legal guardians of Sharon Barbour and Warren Barbour, minors.

The amendment was agreed to.

The next amendment was, on page 2, after line 10, to insert:

For payment to Cornelia Morton McNary, widow of Charles L. McNary, late a Senator from the State of Oregon, \$10,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 13, to insert:

For payment to Marie K. Van Nuys, widow of Frederick Van Nuys, late a Senator from the State of Indiana, \$10,000.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 3, line 14, after the numeral "3", to insert "and McEvoy versus Peterson as audited and recommended by the Committee on Elections Numbered 2."

The amendment was agreed to.

The next amendment was, on page 3, after line 20, to insert "Hugh Peterson, \$581.50."

The amendment was agreed to.

The next amendment was, on page 3, line 22, after the words "In all", to strike out "\$8,000" and insert "\$8,581.50."

The amendment was agreed to.

The next amendment was, under the subhead "Government Printing Office", on page 5, line 11, after the words "ceiling price", to insert "orders and"; in line 13, after the word "such", to insert "orders and"; and in line 16, before the word "schedules", to insert "orders and."

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office for Emergency Management", on page 6, after line 18, to insert:

Office of Defense Transportation: The funds appropriated to the Office of Defense Transportation for the fiscal year 1944 shall be available for the employment of a Director at \$12,000 per annum.

The amendment was agreed to.

The next amendment was, under the heading "Independent executive agencies", on page 7, after line 7, to insert:

OFFICE OF EDUCATION

Education and training, defense workers (national defense): For an additional amount for payments to States, and so forth, fiscal year 1944, for the cost of vocational courses in food production and conservation, mechanics, farm-machinery repair, and farm-labor training of less than college grade, as provided in paragraph 3, under this head in the Federal Security Agency Appropriation Act, 1944, \$4,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Federal Works Agency", on page 8, line 12, after "and 1541)", to strike out "\$127,500,000" and insert "\$112,500,000."

The amendment was agreed to.

The next amendment was, on page 9, line 2, after the word "in", to insert "Senate Document Numbered 172, and"; and in line 4, after the name "Congress", to strike out "\$3,589.30" and insert "\$7,682.92."

The amendment was agreed to.

XC—202

Mrs. CARAWAY. Mr. President, I should like to take a few minutes to speak on this bill as the representative of American women. The appropriation for the Federal Works Agency which is included in the deficiency appropriation bill is of deep concern to them because those funds will make possible the continuance and expansion of Federal aid to our nursery schools and child-care centers for the children of working mothers.

Today there are more than 5,500,000 women with children under 14 employed in America. Those women cannot do their best work, and many of them cannot even stay on the job, unless they have some assurance that their children are being adequately cared for.

The funds allocated to date to the Federal Works Agency for the War Public Works and War Public Services Program have made possible the establishment by local communities of 2,243 projects caring for 65,772 children. It is clear that this program needs to be expanded considerably to meet the needs of working mothers. Applications for 302 new projects have been held up for weeks because the funds of the Federal Works Agency were all allocated.

As Senators know, the President requested Congress to grant an additional appropriation of \$150,000,000 to the Federal Works Agency. It is a great disappointment to me that these funds have been so seriously cut. The House reduced the appropriation to \$127,500,000. The bill which is now before us further reduces the amount to \$112,500,000.

There is another and even more serious weakness in the bill before us to which I should like to call attention. There is at present a limitation of \$40,000,000 on the funds which can be spent by the Federal Works Agency for maintenance and operation of facilities. That limitation applies to the funds which were authorized by Congress for the Federal Works program after July 1, 1943. If that limitation remains in the law the child-care centers will have to close, regardless of how much money we appropriate.

General Fleming testified before the House Appropriations Committee that they have already made allocations of approximately \$30,000,000 for maintenance and operation of projects since July. He said "if the limitation remains in the law, we would be unable to continue essential service projects or to approve any in new locations."

If that limitation is not removed, therefore, the Federal Works Agency will not be able to use the funds we appropriated for it to keep the present child-care centers open for another year. It will not be able to open the 300 new centers which have already been certified as essential to our war effort.

I wonder if Senators realize what that would mean. It would mean thousands of women leaving their war jobs at a time when our War Production Board has just announced that our war output is behind schedule. It would mean thousands of more door-key children on our streets.

I should like to see inserted in this bill a provision to remove the \$40,000,000 lim-

itation so that the child-care program which is so urgently needed in all our war areas can go ahead without further loss of time.

In conclusion, I should like to read a letter which six women Members of the House submitted to the House Appropriations Committee when this matter was before that body.

FEBRUARY 24, 1944.

HON. CLARENCE CANNON, *Chairman*.

MR. CHAIRMAN: As of course you know, under the wartime child-care program funds are allotted for assistance in the operation of facilities for the care of children whose mothers are employed in jobs essential to the war effort. Local communities participate in the cost of the service to the extent that funds are available, and the parents pay a fee which must cover, at least, the cost of food. As of January 31, 1944, a total of \$20,204,565 of Lanham Act funds had been allotted for wartime child-care services. As of February 9, the last date for which a report is available, there were in operation 1,431 nursery schools with an enrollment of 37,439 preschool children and 812 centers with an enrollment of 28,333 school-age children. This makes a total of 2,243 centers with an enrollment of 65,772.

You have under consideration before your committee a request from the Director of the Budget for an appropriation of \$150,000,000 to the Federal Works Agency for War public works. An important part of this fund is for the continuation and expansion of the child-care program.

We want to call to your attention the urgency of this program because of the vast number of women now in industry and the need for more than 1,000,000 additional women workers by July 1.

At the present time, only 65,772 children are being taken care of in 2,243 projects. This does not begin to meet the existing need, as evidenced by the fact that four out of five women hired today leave their jobs because of home problems. One of the most common of these is lack of adequate care for these children. The War Manpower Commission estimates that one out of every seven women workers has a child needing care. This means that at least 142,000 more children than at the present will need care by July 1 if the recruitment program is to be successful. As you know, an increasing number of women with small children are being forced to seek employment as fathers are drafted into the armed forces.

The health and safety of our children, as well as the achievement of our war production goals, depend on speedy provision of the necessary funds.

The program at present is at a standstill. No new projects can be opened even though applications for 302 child-care projects from local communities, certified as essential to the war effort, are pending. Facilities cannot be provided for the children in these areas and the existing projects will be forced to close as their grants expire unless this appropriation is granted at once.

A further step is necessary to the fulfillment of this program. The limitation of \$40,000,000 imposed by act of Congress of July 15, 1943, on the amount of funds permitted to be used for maintenance and operation of these war services should be lifted. Allocation of funds to the child-care projects already approved and pending would bring the total allocation up to the limit imposed. Therefore, the failure to remove this limitation would mean a total collapse of the child-care program.

Therefore, we women members of Congress, assume the responsibility of speaking for the millions of working mothers of our country and of impressing upon you the need for action. Women cannot do their best work

in their war jobs, or are prevented from making a contribution altogether, if they are constantly worried and insecure about the care of their children. We owe it to our fighting fathers to safeguard the health and future of American youth. We sincerely hope that this committee in its wisdom will join with us in making it possible to secure the services of the thousands of women who are anxious to do their part in providing the means to achieve victory. We know of no better way to secure their services than in making adequate provisions for safeguarding the health and happiness of their children.

MARY T. NORTON.
EDITH NOURSE ROGERS.
FRANCES P. BOLTON.
MARGARET C. SMITH.
WINIFRED C. STANLEY.
CLARE BOOTHE LUCE.

Mr. MAYBANK. Mr. President, supplementing the excellent remarks of the distinguished Senator from Arkansas, I may say that today some of the officials discussed the matter with several of us. The Senator from Georgia and myself have discussed the matter with the acting chairman of the Committee on Appropriations.

Mr. McKELLAR. Mr. President, I suggest to the Senator from South Carolina that at this time not all the committee amendments have been offered.

Mr. MAYBANK. I understand that.

Mr. McKELLAR. After all committee amendments have been acted upon, the subject to which the Senator refers may be presented.

Mr. MAYBANK. Yes; I had understood that.

Mr. McKELLAR. I did not know whether the Senator so understood.

Mr. MAYBANK. I merely wished to mention the fact that we have held discussions relative to the matter, and at the proper time we will submit an amendment to increase the appropriation.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, under the subhead "Veterans' Administration," on page 11, line 5, after the word "expended", to strike out "\$30,000,000" and insert "\$31,650,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture", on page 17, after line 8, to insert:

AGRICULTURAL RESEARCH ADMINISTRATION
BUREAU OF PLANT INDUSTRY, SOILS, AND
AGRICULTURAL ENGINEERING
Salaries and expenses

Agricultural engineering investigations: For an additional amount for agricultural engineering investigations, fiscal year 1944, including the objects specified under this head in the Department of Agriculture Appropriation Act, 1944, and including not to exceed \$10,000 for the construction of a building at the Houma (La.) station, \$74,000, to remain available until June 30, 1945.

The amendment was agreed to.

The next amendment was, under the subhead "Commodity Credit Corporation," on page 18, line 10, after the numerals "1944", to strike out "\$100,000" and insert "\$312,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of the Interior—

Bureau of Reclamation," on page 19, line 12, before the word "weir", to insert "temporary."

The amendment was agreed to.

The next amendment was, under the heading "Navy Department—Office of the Secretary," on page 22, line 13, after the word "in", to insert "Senate Document No. 169, and"; and in line 15, after the name "Congress", to strike out "\$9,934.70" and insert "\$15,928.73."

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard," on page 22, line 24, after the word "in", to insert "Senate Document No. 170, and"; and on page 23, line 2, after the name "Congress", to strike out "\$4,110.85" and insert "\$4,610.85."

The amendment was agreed to.

The next amendment was, under the subhead "Transfers of appropriations," on page 23, line 5, after the word "of", to strike out "\$262,314,000" and insert "\$262,759,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Naval Personnel," on page 23, line 17, after "Lake Pend Oreille, Idaho", to strike out "\$1,530,000" and insert "\$1,700,000."

The amendment was agreed to.

The next amendment was, on page 23, line 18, after "Lake Seneca, N. Y.", to strike out "\$1,530,000" and insert "\$1,700,000."

The amendment was agreed to.

The next amendment was, on page 23, line 19, after "Port Deposit, Md.", to strike out "\$945,000" and insert "\$1,050,000."

The amendment was agreed to.

The next amendment was, on page 23, line 22, after the name "Navy", to strike out "\$6,525,000" and insert "\$6,970,000."

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Yards and Docks," on page 24, line 10, after the word "vehicles," to insert a comma and "including one at \$3,500."

The amendment was agreed to.

The next amendment was, under the heading "Post Office Department (out of the postal revenues)—Departmental," on page 26, after line 7, to insert:

Contingent and miscellaneous expenses, \$4,500.

The amendment was agreed to.

The next amendment was, under the heading "Treasury Department," on page 31, after line 3, to insert:

OFFICE OF THE SECRETARY

Restoration of capital impairment, Commodity Credit Corporation: To enable the Secretary of the Treasury, on behalf of the United States, to restore the amount of the capital impairment of the Commodity Credit Corporation as of March 31, 1943, by a contribution to the Corporation as provided by the act approved March 8, 1938, as amended (15 U. S. C. 713a-1), \$39,436,884.93.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Civil functions," on page 32, after line 19, to insert:

GENERAL PROVISION

Damage claims: For the payment of claims for damage to or loss or destruction of prop-

erty or personal injury or death adjusted and determined by the Secretary of War under the provisions of the act entitled "An act to provide for the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities, of the War Department or of the Army," approved July 3, 1943 (Public Law 112), as fully set forth in Senate Document Numbered 167, Seventy-eighth Congress, \$75,286.98.

The amendment was agreed to.

The next amendment was, under the heading "Title II—War overtime pay and other compensation increases—District of Columbia," on page 63, line 16, after the numerals "1944," to strike out "\$3,100" and insert "\$9,100."

The amendment was agreed to.

The next amendment was, on page 67, line 19, after the word "funds", to strike out "\$2,056,900" and insert "\$2,062,900."

The amendment was agreed to.

Mr. BUSHFIELD. Mr. President, I ask unanimous consent to return to the amendment on page 31 of the bill. The amendment was stated so rapidly I did not understand its purpose. I refer to the amount stated in line 11.

The PRESIDING OFFICER. Without objection, the clerk will restate the amendment on page 31, beginning in line 4.

The CHIEF CLERK. On page 31, after line 3, it is proposed to insert:

OFFICE OF THE SECRETARY

Restoration of capital impairment, Commodity Credit Corporation: To enable the Secretary of the Treasury, on behalf of the United States, to restore the amount of the capital impairment of the Commodity Credit Corporation as of March 31, 1943, by a contribution to the Corporation as provided by the act approved March 8, 1938, as amended (15 U. S. C. 713a-1) \$39,436,884.93.

Mr. BUSHFIELD. I should like to have an explanation by the Senator in charge of the bill as to why it is necessary to appropriate nearly \$40,000,000 for the Commodity Credit Corporation. If the management of that Corporation is not efficient enough to conduct its business profitably, or at least keep it out of the red, we should change management.

Mr. McKELLAR. Mr. President, I believe the Senator should understand that the fault lies in an act which Congress itself passed directing that wheat be bought from places in countries outside the United States, and that it should be sold at a lower price than wheat was bringing at the time. The losses were charged to the C. C. C. The Commodity Credit Corporation merely carried out the directions of the Congress. I regretted very much to see Congress take the view which it took. I doubt very much the wisdom of the act Congress passed, but Congress directed this authority to perform the task at a loss. The figure contained in the amendment of \$39,436,884.93 represents the loss, and we must restore it.

Mr. BUSHFIELD. Did I correctly understand the Senator to say that this appropriation is for wheat purchased outside of this country?

Mr. McKELLAR. Yes.

Mr. BUSHFIELD. It was my understanding that the wheat was Government wheat, wheat held by the Government, which was sold at a loss.

Mr. McKELLAR. There was some of that wheat also. By direction of the Congress it was handled in the same way. Some of our own wheat, of lower quality, was sold at a loss and charged to the capital of the Commodity Credit Corporation. I read from the report:

Pursuant to the provisions of the act approved March 8, 1938, as amended (15 U. S. C. 713a-1), an act to maintain unimpaired the capital of the Commodity Credit Corporation at \$100,000,000, and for other purposes, an appraisal has been made of all assets and liabilities of the said Corporation as of March 31, 1943. As a result of such appraisal and on the basis of the cost, including not more than 1 year of carrying charges of such assets to the Corporation, or the average market prices of such assets for the 12 months' period ended March 31, 1943, whichever was less, it has been determined that the liabilities of the Corporation, including capital stock of \$100,000,000, exceed the assets by an amount of \$39,436,884.93.

The act cited above provides that in the event the net worth of the Corporation, as shown by the appraisal by the Secretary of the Treasury, is less than \$100,000,000, the Secretary of the Treasury, on behalf of the United States, shall restore the amount of such impairment. To enable the Secretary to make such payment there is authorized to be appropriated annually, commencing with the fiscal year 1938, an amount equal to any capital impairment found to exist by virtue of any appraisal.

The amount recommended by the committee is necessary to enable the Secretary of the Treasury to discharge the duty imposed upon him by the above-mentioned act.

What Congress did was to have the wheat sold at less than the market price, and thereby create a subsidy. The purpose of this appropriation is to supply money for the purpose of paying the subsidy.

Mr. BUSHFIELD. May I ask the Senator a question?

Mr. McKELLAR. I yield.

Mr. BUSHFIELD. The situation is that the Government took a couple of hundred million bushels of wheat—whatever the amount was—sold it for less than was paid for it, and it is now proposed to take money out of the Treasury in order to restore what was lost by poor business management.

Mr. McKELLAR. That is exactly the situation, and Congress is responsible for it. I am not a subsidy man and, for that reason, I am not blaming myself particularly for what occurred, but Congress passed the law, and it is our duty, of course, to pay the amount which is needed.

Mr. HAYDEN. As the matter has been explained, I think it does not cover the whole story. This amendment restores the capital stock of the Commodity Credit Corporation for the losses it has suffered up to April 1, 1943. The law requires that on April 1 of each year there shall be an inventory taken of the assets and liabilities of the Commodity Credit Corporation. An inventory was taken and a finding made. Another inventory will be taken in a few days which will show an even greater loss, due to

the wheat bought at parity in the United States and bought a little cheaper from Canada—there were some purchases from Canada—and then sold for feed for dairy stock and for poultry and for cattle feed generally. That loss will be even greater in another year; we will find the capital stock again impaired, and to carry out the provisions of the law the Congress will be required again to restore the capital stock.

Mr. BUSHFIELD. Mr. President, will the Senator from Tennessee permit me further?

Mr. McKELLAR. I yield.

Mr. BUSHFIELD. It appears to me that this means it is a continuous operation of digging into the Treasury to buy cattle feed and other livestock feed for one certain particular group or portion of our population.

Mr. HAYDEN. The Congress of the United States, after long debate in both Houses, directed that that be done. After action taken by the Committees on Agriculture of the House and the Senate, Congress by legislation directed that wheat should be bought and then should be sold at not less than the parity price of corn. The loss must be made up in this way. Everybody knew when we passed the act that it was a transaction for the benefit of the dairy industry, for the benefit of cattle feeding, for the benefit of the poultry industry in order to cut down the price of beef, the price of butter, the price of eggs, and the price of poultry. It was in the nature of a subsidy, and we are paying the subsidy or a part of it now.

Mr. AIKEN. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. AIKEN. While it is true, as the Senator from Tennessee and the Senator from Arizona have said, that this loss is largely due to the sale of feed grain, yet this whole amount probably cannot be charged up against the farmers or the farmers' feed bill, because, as Senators will recall, the Commodity Credit Corporation was furnishing quite large amounts of grain for the manufacture of alcohol so that the synthetic-rubber program could be inaugurated. If my memory serves me correctly, the Commodity Credit Corporation sold a considerable amount of corn, on which they realized only about 5 cents a bushel, the loss on which would probably be included in this amount.

Mr. HAYDEN. I am sure the Senator is correct. There was a loss on that as well as on the grain sold for alcohol.

Mr. McKELLAR. But nothing like the loss that was incurred in connection with the other program.

Mr. AIKEN. What I should like to ask the Senator from Tennessee is whether the Commodity Credit Corporation has ever submitted to the Appropriations Committee an accounting of their transactions or balance sheets when they come before the committee and ask for new appropriations?

Mr. McKELLAR. No; they submit them to the House and I think they are in the House hearings.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. The Commodity Credit Corporation submits balance sheets to the Banking and Currency Committee whenever they come before us requesting an increase in their borrowing power or in subsidy payments. There will be found in the hearings the balance sheets of the Commodity Credit Corporation in each case.

Mr. AIKEN. Is it broken down?

Mr. TAFT. Yes; it is broken down showing what they have lost on each commodity.

Mr. McKELLAR. Mr. President, is it very long?

Mr. TAFT. No; it only covers 2 or 3 pages.

Mr. McKELLAR. If the Senator has it I wish he would put it in the Record.

Mr. TAFT. I will send for it and will place in the Record the most recent one, if I can obtain it.

Mr. TAFT subsequently said: Mr. President, I ask unanimous consent to have inserted in the Record, at the point at which the Senator from Tennessee [Mr. McKELLAR] and I had a discussion regarding the Commodity Credit Corporation, the balance sheet of the Corporation as of October 31, 1943, with some explanatory matter.

There being no objection, the matter referred to was ordered to be printed in the Record, as follows:

U. S. Department of Agriculture, Commodity Credit Corporation—Balance sheet, Oct. 31, 1943

ASSETS	
Cash.....	\$109,459,814.16
Loans receivable.....	228,161,871.89
Accounts receivable.....	388,351,837.15
Inventories:	
Agricultural supplies..	199,864,398.82
Barley (304,486 bushels).....	163,198.38
Cotton (2,597,289 bales).....	162,506,866.46
Dairy products.....	1,055,901.40
Foreign commodities..	184,106,376.96
Other commodities.....	7,145,908.05
Rye (315,682 bushels).....	198,035.65
Tobacco (214,541,136 pounds).....	128,150,161.17
Wheat (142,668,348 bushels).....	181,884,647.77
Total.....	865,075,494.66
Accrued charges on commodities owned.....	5,781,006.23
	870,856,500.89
Fixed assets.....	27,898,061.85
Deferred charges and prepaid expenses.....	2,008,008.30
Total assets.....	1,626,736,094.24
LIABILITIES	
Guaranteed obligations of United States:	
Notes payable:	
Series G.....	\$411,596,000.00
U. S. Treasury....	700,000,000.00
	1,111,596,000.00
Bank loans payable:	
Demand loans....	57,915,000.00
Cuban sugar....	44,303,327.83

LIABILITIES—Continued	
Guaranteed obligations of United States—Continued	
Bank loans payable—Continued	
Wool purchases..	\$64,745,522.44
Peanuts.....	5,409,302.14
Letters of credit..	22,351,685.97
	194,724,838.38
	1,306,320,838.38
Accounts payable.....	253,777,302.06
Contingent liabilities (\$290,440,237.37) ¹	
Total liabilities.....	1,560,098,140.44

NET WORTH	
Capital stock.....	\$100,000,000.00
Deficit.....	33,362,048.20
	66,637,953.80
Total liabilities and net worth.....	1,626,736,094.24
¹ See the following table:	
Loans held by private banks.....	\$272,675,922.95
Applications for letters of credit.....	17,764,314.42
Total.....	290,440,237.37

Commodity Credit Corporation investments and obligations, Oct. 31, 1943

	Commodities owned by Commodity Credit Corporation	Loans held by Commodity Credit Corporation	Loans held by banks	Outstanding commitments	Total
Corn.....	\$7,146,000	\$800,000	\$1,873,000	\$25,000,000	\$34,819,000
Cotton.....	162,507,000	192,342,000	61,097,000	285,203,000	701,149,000
Tobacco.....	128,150,000	601,000	1,993,000	70,150,000	200,894,000
Wheat.....	181,885,000	26,273,000	196,390,000	92,857,000	497,405,000
Flaxseed.....		18,000	1,387,000	5,827,000	7,232,000
Barley.....	163,000	161,000	2,143,000	6,928,000	9,395,000
Rye.....	198,000	99,000	1,079,000	3,689,000	5,045,000
Grain sorghums.....			2,000	5,000,000	5,002,000
Dry beans and peas.....		71,000	756,000	49,142,000	49,769,000
Hay and pasture seed.....			19,000	9,981,000	10,000,000
Hemp.....	954,000			35,520,000	36,474,000
Naval stores.....	12,097,000	2,125,000		11,328,000	25,550,000
Potatoes.....		6,000	91,000	99,903,000	100,000,000
Prunes.....				44,000,000	44,000,000
Raisins.....				65,975,000	65,975,000
Canning vegetables.....				24,965,000	24,965,000
Oilseeds and products.....	48,631,000		61,000	194,584,000	243,276,000
Sugar.....	105,308,000			27,940,000	133,248,000
Butter and cheese.....	65,414,000			26,234,000	91,648,000
Corn price adjustment.....				1,469,000	1,469,000
Cheddar cheese.....				7,000,000	7,000,000
Fluid milk.....				150,000,000	150,000,000
General commodities purchase program.....				60,000,000	60,000,000
Dairy feed stabilization.....				85,009,000	150,236,000
Wool and mohair.....	65,227,000				
Loans to Agricultural Adjustment Agency.....				50,000,000	50,000,000
Foreign commodities.....	78,798,000	2,864,000		153,263,000	234,955,000
Miscellaneous agricultural supplies.....	8,597,000	2,801,000		37,167,000	48,565,000
Carrying charges.....				72,587,000	72,587,000
Total.....	865,075,000	228,161,000	266,691,000	1,701,671,000	3,061,598,000

Mr. AIKEN. Mr. President, I do not want anything I have said to be considered as a criticism of the Commodity Credit Corporation, for I consider of all the agencies that have not been required to be audited the Commodity Credit Corporation has been about the most useful and it has tried very hard to do good work and has done good work.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. I wish to say that the statement made by the Senator from Arizona is exactly correct as to the general law with regard to replacing losses of the Commodity Credit Corporation. It may be inevitable that on the loans that have been made and many other transactions there will be losses. I want to make only one reservation, however, about next year. When next year this bill comes before the Senate it will have to provide not \$39,000,000 but probably in the neighborhood of a billion dollars to make up losses if the Corporation proceeds as it is now doing.

I want to state my view that the milk-feed subsidy which is now being paid at the rate of \$400,000,000 a year is, in my opinion, contrary to law. In my view, the Commodity Credit Corporation has no power to pay subsidies in that way.

The Commodity Credit Corporation may buy property and may sell it at a loss and it may legally pay some kinds of subsidies; but the milk-feed subsidy is paid by simply asking a man how much milk and butter he sold and figuring so many cents and then giving him a Government check through the A. A. A. for that amount. I raised that legal objection when the Commodity Credit Corporation matter was before our committee. There is a long opinion from the Solicitor maintaining their right to do so, which is found in the record, and with which I wholly disagree. The Commodity Credit Corporation officials ought to know when they come before Congress next year and ask for replacement capital that I think there is a very sound objection to replacing the capital stock because of the payment of that particular subsidy and perhaps one or two others, which cannot be paid in a legal way.

The PRESIDING OFFICER. The committee amendment on page 31, beginning in line 3, has been agreed to.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Tennessee a question. As I understand, the appropriation of \$39,436,884.93 is to pay the amount of loss which has been sustained and which has impaired the capital stock of the Commodity Credit Corporation.

Mr. McKELLAR. Yes; up to April 1, or March 31, 1943.

Mr. WHERRY. In listening to the explanation of the Senator as to what brought about this loss, he referred to loss sustained in the purchase and sale of wheat.

Mr. McKELLAR. That is correct.

Mr. WHERRY. But the entire loss on the sale of wheat was about \$183,000,000 was it not?

Mr. McKELLAR. Yes.

Mr. WHERRY. So that in reality this is a deficit which has been sustained by the loss on all the activities as against the assets and whatever has been earned by the Commodity Credit Corporation during that period of time.

Mr. McKELLAR. I think it was largely, in fact almost entirely, due to the loss which we have been discussing.

Mr. WHERRY. In the hearings held before the House committee on this same bill, on page 552, the chairman in reply to a statement by Mr. Bartelt as to the cumulative losses said:

In other words, you have a continuous and consistent loss on every activity.

He was referring to the losses which have accrued through the different organizations to which the Commodity Credit Corporation loans money. One I take it is the R. A. C. C., another the Federal Security Administration, and 50 or 60 others. Am I right in that?

Mr. McKELLAR. I am sure the Senator is right.

Mr. HAYDEN. Mr. President, I think the Senator is correct in that the sum of money is the net amount of loss up to April 1, 1943, from all sources. I asked Mr. Hutson—

Mr. WHERRY. So it is not chargeable exclusively to wheat; it is chargeable to the loss, as the chairman of the House committee said, on all their activities?

Mr. HAYDEN. That is correct.

Mr. WHERRY. I do not think that is so. As a matter of fact, the loss on wheat alone has been \$183,000,000, if I remember correctly, and the profits have reduced that to about a \$39,000,000 net loss.

Mr. HAYDEN. I think the Senator is mistaken about that. If I may read from the record on page 33 of the Senate committee hearings, I asked this question of Mr. Hutson:

Senator HAYDEN. Where have you had your principal losses? Take the wheat, for example; has that been handled at a loss?

Mr. HUTSON. The biggest item of loss in connection with the operations of the Commodity Credit Corporation is the sale of feed wheat.

Senator McKELLAR. How much did you lose in that?

Mr. HUTSON. The total losses on the sale of wheat during the past 2 years, through January 31, 1944, are approximately \$183,000,000.

That covered a 2-year period. We are only taking care of the combined losses up to a year ago.

Mr. WHERRY. If the Senator from Tennessee will further yield, that answers the question I asked, and this is the net loss. Over a period of time, it is true, we lost \$183,000,000 on wheat, but if we had not lost money on other activities and operations we might not have this deficit today. Is not that correct?

Mr. McKELLAR. I think the losses on wheat have been greater than on anything else. This is the large item. Other losses might have been made up out of profits, but this capped the climax so far as losses were concerned.

Mr. WHERRY. I think there is no defense, and I think Congress should appropriate whatever money is necessary to make up losses sustained on wheat, because we approved the action in the Congress, and, of course, we should pay the loss.

Mr. McKELLAR. We have to do it.

Mr. WHERRY. The point I wish to raise is that this net loss comes from other activities, in addition to that regarding wheat, and some of those activities, I think, should be brought up for consideration, if not at this time then during the consideration of deficiency bills which will come before us later, because it is a question whether those activities should be continued. One of them is the Regional Agricultural Credit Corporation. I should like to know how we are to make up the losses sustained in that respect.

Mr. McKELLAR. I think there is a great deal in what the Senator says.

Mr. WHERRY. I thank the Senator.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Water fund," on page 68, line 17, after the word "funds," to strike out "\$2,117,100" and insert "\$2,123,100."

The amendment was agreed to.

The next amendment was, under the subhead "Division of expenses," on page 68, line 24, after the numerals "201", to strike out "\$135,676,249" and insert "\$135,682,249."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Judgments and authorized claims—Property damage claims," on page 70, after line 20—

Mr. McKELLAR. Mr. President, I ask unanimous consent that the amendments covering auditing claims be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 70, after line 20, to insert:

(b) For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in the sum not exceeding \$1,000 in any one case," approved December 28, 1922 (31 U. S. C. 215), as fully set forth in Senate Document No. 171, Seventy-eighth Congress, as follows:

Executive Office of the President:

Office for Emergency Management:

Division of Central Administrative Services, \$303.87;

Independent establishments:

National Advisory Committee for Aeronautics, \$65;

Federal Security Agency, \$1,408.15;

Department of the Interior, \$271.81;

Navy Department, \$4,707.17;

In all, \$6,756.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, under the subhead "Judgments, United States courts," on page 71, line 24, after the word "in," to insert "Senate Document No. 168."

The amendment was agreed to.

The next amendment was, at the top of page 72, to strike out:

Federal Works Agency (Work Projects Administration), \$6,421.86.

The amendment was agreed to.

The next amendment was, on page 72, after line 2, to insert:

Federal Works Agency:

Public Buildings Administration, \$2,350;

Work Projects Administration, \$6,421.86.

The amendment was agreed to.

The next amendment was, on page 72, after line 5, to insert:

Navy Department, \$1,275.

The amendment was agreed to.

The next amendment was, on page 72, line 9, after the words "In all," to strike out "\$17,355.51" and insert "\$20,980.51."

The amendment was agreed to.

The next amendment was, under the subhead "Judgments, United States Court of Claims," on page 74, line 10, after the word "in," to insert "Senate Document No. 174, and."

The amendment was agreed to.

The next amendment was, on page 74, line 25, after "War Department," to strike out "\$114,627.54" and insert "\$124,024.91."

The amendment was agreed to.

The next amendment was, on page 75, line 1, after the words "In all," to strike out "\$526,560.06" and insert "\$535,957.43."

The amendment was agreed to.

The next amendment was, under the heading "Audited claims," on page 88, after line 23, to insert:

(b) For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (31 U. S. C. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1941 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (5 U. S. C. 266), as fully set forth in Senate Document No. 173, Seventy-eighth Congress, there is appropriated as follows:

The Judiciary: For miscellaneous expenses, United States courts, 65 cents.

Independent Offices: For youth work and student aid, National Youth Administration, \$380.34.

For maintenance, National Institute of Health, Public Health Service, \$41.41.

For maintenance, National Cancer Institute, Public Health Service, \$56.14.

For general administrative expenses, Public Buildings Administration, \$14.50.

For salaries and expenses, public buildings outside the District of Columbia, Public Buildings Administration, \$4.95.

For salaries and expenses, Office of Administrator, Federal Works Agency, 80 cents.

For salaries and expenses, Veterans' Administration, \$2,908.75.

Department of Agriculture: For exportation and domestic consumption of agricultural commodities, Department of Agriculture, \$4,645.13.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture (transfer to Federal Surplus Commodities Corporation), \$101.19.

For exportation and domestic consumption of agricultural commodities, Department of Agriculture (transfer to Federal Surplus Commodities Corporation, act of June 28, 1937), \$122.69.

For conservation and use of agricultural land resources, Department of Agriculture, \$120.72.

For salaries and expenses, Soil Conservation Service, \$36.96.

For liquidation and management of resettlement projects, Department of Agriculture, \$60.20.

Department of Commerce: For civilian pilot training, Office of Administrator of Civil Aeronautics, \$736.

Department of the Interior: For Civilian Conservation Corps (transfer to Interior, Indians), \$47.50.

For Indian Service supply fund, \$260.

For support of Indians and administration of Indian property, \$2,176.41.

For purchase and transportation of Indian supplies, \$67.90.

For conservation of health among Indians, \$77.22.

Department of Justice: For salaries and expenses of district attorneys, etc. Department of Justice, \$1.85.

For salaries and expenses, Lands Division, Department of Justice, \$50.

For miscellaneous salaries and expenses, field, Department of Justice, \$37.50.

Department of Labor: For miscellaneous expenses, Wage and Hour Division, Department of Labor, \$91.

Navy Department: For general expenses, Marine Corps, \$8,366.25.

For maintenance, Bureau of Ships, \$63,319.62.

For general expenses, Coast Guard (Navy), \$25.32.

For aviation, Navy, \$42,862.61.

For foreign-service pay adjustment, appreciation of foreign currencies (Navy), \$25.

For maintenance, Bureau of Supplies and Accounts, \$1,032.24.

For pay and allowances, Coast Guard (Navy), \$336.83.

For Naval Reserve, \$2,832.14.

For engineering, Navy, \$5,711.54.

For maintenance, Bureau of Yards and Docks, \$6,831.75.

For ordnance and ordnance stores, Navy, \$215,985.58.

For ordnance and ordnance stores, Bureau of Ordnance, \$399.93.

For pay, subsistence, and transportation, Navy, \$2,203.33.

Post Office Department—Postal Service (out of the postal revenues): For clerks, first- and second-class post offices, \$67.86.

For operating supplies for public buildings, Post Office Department, \$123.75.

For transportation of equipment and supplies, 98 cents.

Department of State: For emergencies arising in the Diplomatic and Consular Service, \$42.

War Department: For Air Corps, Army, \$8.90.

For Army transportation, \$4.09.

For working fund, War, ordnance, \$127.36.

For Civilian Conservation Corps (transfer to War), \$40.27.

Total, audited claims, section 304 (b), \$362,387.16, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency and interest as specified in certain of the settlements of the General Accounting Office.

The amendment was agreed to.

The next amendment was, under the heading "Title IV—General provisions," on page 93, after line 20, to insert:

SEC. 401. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

The amendment was agreed to.

The next amendment was, on page 94, line 15, to change the section number from 401 to 402.

The amendment was agreed to.

Mr. McKELLAR obtained the floor.

Mr. WHERRY. Will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. WHERRY. I ask that the Senate return to page 9, the item covering the National Housing Agency, and I should like to have the Senator from Tennessee give me an explanation of what that appropriation is for. I am sorry I was not in the Senate at the time the appropriation of \$7,500,000 was under consideration.

Mr. McKELLAR. Mr. President, the item is to make up the deficit for the present year, up to June 30. The Budget estimate of \$25,000,000 was reduced to \$7,500,000, or a reduction of \$17,500,000.

The war-housing program has been proceeding under a total authorization by the Congress of a billion, five hundred million dollars, of which one billion three hundred and fifty million has been appropriated, leaving an unappropriated authorization of \$150,000,000.

The Agency sent in an estimate of \$25,000,000, which was cut down to \$7,500,000 for the remainder of the year, and I think the committee acted wisely.

Mr. WHERRY. Is this for temporary housing, or permanent housing?

Mr. McKELLAR. It is for defense housing.

The PRESIDING OFFICER. The committee amendments have been concluded. The bill is open to further amendment.

Mr. McKELLAR. Mr. President, I send to the desk certain amendments which the committee has directed me to offer.

The PRESIDING OFFICER. The clerk will state the first amendment for the information of the Senate.

The CHIEF CLERK. On page 7, after line 14, it is proposed to insert the following:

The appropriation "Training for nurses, Public Health Service (national defense)",

in the Federal Security Agency Appropriation Act, 1944, is hereby made available, for the entire fiscal year, for transfer to and consolidation with appropriations of St. Elizabeths and Freedmen's Hospitals in such amounts as may be deemed necessary by the Federal Security Administrator to cover the cost of items furnished to student nurses in training under plans approved for such hospitals in accordance with the act of June 15, 1943 (Public Law 74), as amended.

Mr. McKELLAR. Mr. President, the amendment is designed to put the housing for the two hospitals mentioned on a parity with other housing.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 8, line 22, after the words "outplant facilities", it is proposed to insert "*Provided further*, That the limitation of \$40,000,000 contained in Public Law 150, Seventy-eighth Congress, approved July 15, 1943, on the total amount that may be allocated for contributions to public and private agencies for the maintenance and operation of public works after July 1, 1943, is hereby increased to \$65,000,000."

Mr. TAFT. Mr. President, I have no objection to the proposal to increase the limitation from \$40,000,000 to \$65,000,000, but I understand there is some question about raising it higher. I should be willing to go as high as \$70,000,000, if that is agreeable to the authors of the proposed amendment.

Mr. McKELLAR. So far as this item is concerned, \$65,000,000 was substituted for \$40,000,000, which increased the appropriation by \$25,000,000, and it was reported in that form by the committee. Since that time the Department has reported that it has allotted already some \$23,000,000 out of the \$65,000,000, and it would like to have as much as \$80,000,000.

The Senator from South Carolina and the Senator from Georgia asked me if I would be willing to raise the \$65,000,000 to \$75,000,000, and take it to conference, so that we could see exactly what has been allotted and what has been spent, and settle the matter in that way. I have no objection to the larger amount being taken to conference.

Mr. TAFT. Mr. President, members of the House committee, which has already approved an unlimited grant presumably, will be on the conference committee, so that I do not think there is much of a compromise in taking the matter to conference. Whatever would go to conference went out on a point of order in the House, but the House committee agreed to an unlimited range. I should like to speak on the subject before we finally reach a conclusion.

The purpose in the enactment of the Lanham Act originally was not that contemplated in the pending amendment, but the act was intended primarily for the construction of war public works. I was very much interested in securing the enactment of the law, and played an active part in getting it through the Senate. But let me list the activities

that were supposed to be undertaken under that act. Probably any activity is justified because the language is very broad in the first instance.

The act provides:

The term "public work" means any facility necessary for carrying on community life substantially expanded by the national defense program, but the activities authorized under this title shall be devoted primarily to schools, waterworks, sewers, sewage, garbage and refuse-disposal facilities, public sanitary facilities, works for the treatment and purification of water; hospitals and other places for the care of the sick, recreational facilities, and streets and access roads.

A good deal of the money proposed to be spent in this appropriation deals, in the first place, with the establishment of child-care centers, which are not in any way mentioned in the Lanham Act, except that they come under perhaps the general statement of facilities necessary to carrying on community life—rather a thin reed on which to rest this very large appropriation.

Further on in the act it is said that the Administration may make loans or grants and may make contributions "to public or private agencies for the maintenance and operation of public works, upon such terms and in such amounts as the Administrator may consider to be in the public interest."

It was felt that there might be districts where a school might be established, and where it might be necessary for a short time, until the locality was able to take it up and make its arrangements, for the Federal Government to help support that school district. It was purely incidental, and it was not considered an important part of the program.

Last spring, when we authorized \$250,000,000 more for this general purpose, this very general purpose, of spending Federal money throughout the country on everything and anything, we imposed a limitation of \$40,000,000 on operations, not because we did not feel these works should be operated, but because we felt that the localities should be able to take them over gradually and do the work themselves.

It is now proposed that the limitation be raised, and the estimate submitted by the Federal Works Agency proposed that, whereas they wanted to spend \$72,000,000 for public works, they wanted to spend \$70,000,000 for the operation of public works. That was the original program submitted to the House of Representatives. The House cut the total amount, and the Senate committee has also cut it.

Mr. President, there seems to be no reason to expand further the business of providing Federal funds for operating all kinds of local public works. Something has been said about 5,000,000 mothers being taken care of. The truth is there are only 50,000 mothers, as I understand from the testimony, who are really taken care of by this Federal job. The purpose of the appropriation, however, is not simply to continue this job, but it is to expand it and to provide more Federal grants for different public works. I do not see how a Federal grant can, strictly speaking, be made for a child-care center, for instance, which has not been built. The

original purpose of the Agency was to maintain public works which the Federal Government has provided. But there appears to be a constant expansion of grants for child care, for something local people are willing to do. Child care provides one of the greatest appeals to charitable organizations. It is something the local organization can well do.

Originally 10 percent of the Agency funds were spent for operations. Last year we authorized 20 percent for operations as against construction, whereas now request is made for a 50-percent grant for operations. There has been a gradual extension of grants for schools, for child care, and so forth. The actual amount proposed for schools out of this total appropriation is \$25,000,000, for child care \$22,000,000, for hospital operation \$8,000,000, for recreation \$11,000,000, for other types of activity \$1,800,000. The Agency has already spent about \$23,000,000 of the \$40,000,000 provided. If we now say, "All right, continue the projects which you are operating until June 1945 at a cost which you estimate to be \$42,800,000, and add the \$23,000,000 to make a total of \$65,800,000"—if we thus increase the \$40,000,000 to \$65,000,000, it will enable the continuation of every project which, through this Agency, is now being supported by the Federal Government, and it seems to me that is enough. I see no reason why we should go on expanding this Federal activity at a time when the localities are themselves quite willing to handle the problem, and when there are no great new centers in operation. Because of the fact that some Senators felt that the amount provided should be increased, I did not greatly object to adding \$5,000,000 to take care of extraordinary contingencies, but it seems to me that \$70,000,000 for operations is the very limit that we ought to provide. That will give, as I have said, \$5,000,000 for expansion in case there is some new center where the Government moves in, or some new plant. There are very few now being created, but there are one or two.

I hope very much that we may reach a compromise agreement of, let us say, \$70,000,000. The committee approved of only \$65,000,000. That is entirely satisfactory to me if it shall be the limit. But if we suspend the rule and enter the domain of legislation, and then the amount is to be raised to \$75,000,000 or \$80,000,000 or \$100,000,000, I would object to undertaking legislation on an appropriation bill.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAYBANK. The reason I suggest increasing the amount provided in line 13 of the amendment from \$65,000,000 to \$75,000,000, is because the Senator from Georgia and I were told—and I dare say other Senators were also told—that the Agency had already allocated \$23,000,000 as the distinguished Senator from Ohio has stated. That would leave \$42,000,000 unallocated in case \$65,000,000 were provided.

Mr. TAFT. It would be \$47,000,000 in case \$70,000,000 were provided.

Mr. MAYBANK. Last year the program cost about \$50,000,000 on the same basis as that on which the Agency is now operating.

Mr. TAFT. Oh, no; the Senator is wrong about that.

Mr. MAYBANK. I am not familiar with what was spent last year, but I may say that the general counsel advised me only a few hours ago that the amount was \$50,000,000 and that it was now proposed to provide a sufficient amount to wind up the work. I am simply saying what was told to me.

Mr. TAFT. I understand. The figures set out on page 680 of the House hearings are very clear, and I make the statement without qualification that the Agency could continue operation of every existing project until June 30, 1945, if the limit were raised to \$65,000,000. If we add to that \$5,000,000 more to take care of possible emergencies I would be quite willing to agree.

Mr. MAYBANK. Mr. President, will the Senator yield again?

Mr. TAFT. I yield.

Mr. MAYBANK. Of course, as the Senator said, it is the desire of some individuals to take off the limit entirely, but the committee refused to permit that. Naturally I would not be willing to do so.

In view of the fact that I have been advised that \$50,000,000 would be needed to do the work on the same basis as last year, I wonder if the Senator would not be willing to split the difference between \$70,000,000 and \$75,000,000 and permit the Agency to have what we have been told is necessary to operate approximately the projects in existence today. Will the Senator agree to that?

Mr. TAFT. Seventy million dollars will give them more than they now have. On their own figures it will give them \$5,000,000 more than it would take to operate all their projects in the way of schools, child care, hospitals, and recreation until June 30, 1945.

Mr. MAYBANK. Mr. President, will the Senator yield again?

Mr. TAFT. I yield.

Mr. MAYBANK. We were advised that the total cost would be \$80,000,000. We were then distinctly told that \$23,000,000 of the money had already been allocated, and that they will have no chance to get any of it back. I wish the Senator would agree to split the difference between seventy and seventy-five million dollars, and let us take the matter to conference.

Mr. TAFT. I will be willing to split the difference and agree to \$70,000,000 instead of \$75,000,000.

Mr. MAYBANK. Why not let us agree to provide \$72,000,000, and then after the conferees have looked into the program, if they consider it proper, let them readjust it to \$70,000,000.

Mr. TAFT. No; I think \$70,000,000 is the limit we should provide. This is one of the Government agencies which is making numerous miscellaneous grants in all directions. The Agency bypasses the States. No one outside the agency passes on who shall receive the money. The program in question is a wholly inadequate one. If an individual who applies makes a hit with the Federal Works

Agency he receives the grant. If someone applies whom the Agency does not like, he does not receive a grant. There is no systematic program for doing this job. The organization was originally the W. P. A., which would like to have some excuse to continue through the war and possibly revive itself during the post-war period. That is what, in my opinion, is behind this constant expansion of Federal grants which were not intended in the original Lanham Act.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McKELLAR. In the interest of peace and harmony I shall ask my friend the Senator from South Carolina [Mr. MAYBANK] to agree to the suggestion made by the Senator from Ohio [Mr. TAFT] and let us insert the sum of \$70,000,000 in the amendment. Will the Senator agree to that?

Mr. MAYBANK. Yes.

Mr. McKELLAR. Is that satisfactory to the Senator from Ohio?

Mr. TAFT. Yes, Mr. President, that is satisfactory.

The PRESIDING OFFICER. The amendment now pending carries in line 13 the figure "\$65,000,000."

Mr. McKELLAR. I ask unanimous consent to modify the amendment offered on behalf of the committee, so as to insert "\$70,000,000" in place of "\$65,000,000."

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is modified accordingly.

The question is on agreeing to the amendment on page 8, in line 22, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I wonder if while we are on this paragraph the Senator would permit the offering of one or two other amendments?

Mr. McKELLAR. Surely. Does the Senator propose amendments to the same paragraph?

Mr. TAFT. Yes.

Mr. McKELLAR. Very well.

Mr. TAFT. Mr. President, in lines 13 and 14, on page 8, and also in lines 16 and 17, on page 9, it is stated that the Lanham Act money is "to remain available during the continuance of the unlimited national emergency declared by the President on May 27, 1941." It is a long time since we referred to that declaration of national emergency, and I see no particular reason why we should recur to it or why an appropriation should have an unlimited scope of that sort. It ought to come to a definite end.

Therefore, Mr. President, I move that, on page 8, in lines 13 and 14, the words "during the continuance of the unlimited national emergency declared by the President on May 27, 1941," be stricken out and that the words "until June 30, 1945" be inserted, so that the provision will be effective for the remainder of this year and for the next fiscal year. I may say that the estimates submitted covered that period of time.

Mr. McKELLAR. I see no objection to making that change.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio. The amendment was agreed to.

Mr. TAFT. Mr. President, on page 9, lines 15, 16, and 17, I move that the words "during the continuance of the unlimited national emergency declared by the President on May 27, 1941" be stricken out and that the words "until June 30, 1945" be inserted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment offered by the Senator from Tennessee on behalf of the committee will be stated.

The CHIEF CLERK. On page 69, after line 15, and before the heading "Title III—Judgments and authorized claims," it is proposed to insert the following new section:

SEC. 203. No part of any appropriation contained in this or any other act shall be used to pay to regular, full-time civilian officers and employees, whose basic compensation is determined on a daily or hourly basis, overtime compensation, pursuant to the joint resolution of December 22, 1942 (56 Stat. 1068), and the act of May 7, 1943 (Public, No. 49, 78th Cong.), on any basis other than at the rate of 1½ times the basic rate of payment for work actually performed by such officers and employees in excess of 40 hours per week, without proration or the use of any formula which has been adopted to determine the daily compensation of per annum officers and employees; it being declared to be and to have been the true intent and meaning of the aforesaid enactments to provide for the payment of the overtime compensation of such employees only upon the basis herein described: *Provided*, That any overtime compensation in excess of the compensation so authorized under the above joint resolution and act which has been paid in reliance upon, and in accordance with, any decision or decisions of the Comptroller General is hereby approved and the Comptroller General shall allow credit therefor in the accounts of the officers accountable therefor, and shall make no charges against any certifying officer because of certification of such excess overtime compensation.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. TAFT. Mr. President, there is one other matter I should like to mention with reference to the Federal Lanham Act funds. At the bottom of page 8 there is the proviso that "not more than \$7,500,000 of the funds for war public works shall be used for construction of outplant facilities." I myself doubt whether the Lanham Act authorizes the use of any money for outplant facilities. As I understand the matter, outplant facilities are intended to be store buildings for commercial use in areas around war plants where there do not happen to be any other stores.

Mr. McKELLAR. That is correct.

Mr. TAFT. As I understand the matter, the outplant facilities may sometimes be store buildings in which there may even be theaters. In fact, I have had certain persons write to me that they understood theaters were to be constructed as a part of the outplant facilities, near plants which perhaps are not very close to any town.

I think the policy is very doubtful. I move, as an amendment, that on page 8, in line 20, the figure "\$7,500,000" be stricken out, and that the figure "\$5,000,000" be inserted, so that the Senator from Tennessee can take the item to conference, in order that the matter may be open to discussion with the House conferees.

Mr. McKELLAR. I have no objection to taking it to the conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. MILLIKIN. Mr. President, I should like to ask the senior Senator from Tennessee a question about title IV.

Mr. McKELLAR. Certainly. To what page does the Senator from Colorado refer?

Mr. MILLIKIN. To page 93, title IV. That provision constitutes a prohibition against the employment in the Federal service of disloyal persons.

Mr. McKELLAR. Such a provision has been carried in similar bills for a number of years, let me say to the Senator.

Mr. MILLIKIN. Yes. Information has come to me, and I hope it is correct, that the Civil Service Commission has been making quite a study of men charged with disloyal activities who are on the Government pay roll. Information has also come to me, and I hope it is incorrect, that the Civil Service Commission in making that study does not confront such persons with the evidence against them, but that it assembles affidavits and certain statements, listens to verbal statements and, although it withholds those matters from the accused, reaches a judgment on him, and in certain cases makes a recommendation that he is unsuitable for Government employment, without giving him a chance to confront the witnesses against him or to examine the testimony against him or to present evidence in his own behalf. As I stated, I hope that information is incorrect. Let me ask the senior Senator from Tennessee whether anything of that kind is contemplated as a permissible procedure under the title we are discussing.

Mr. McKELLAR. I take pleasure in saying that no one had it in contemplation; and it is not contemplated by any Member of this body or by any Member of the other body, in my judgment, that any such course shall be taken. I had not heard that it had been taken; but if it has been taken, it should be corrected. Of course, such persons should have the right to confront the witnesses against them before any action is taken.

Mr. MILLIKIN. I cannot vouch for the accuracy of the information which I have received, but I have questioned the Civil Service Commission with reference to a specific case. I am delighted to have the clarifying statement of the senior Senator from Tennessee.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

The bill (H. R. 4346) was passed.

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. HOLMAN, and Mr. BROOKS conferees on the part of the Senate.

ADDITIONAL COPIES OF MONOGRAPH 31, TEMPORARY NATIONAL ECONOMIC COMMITTEE: PATENTS AND FREE ENTERPRISE

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing, I report favorably, without amendment, Senate Resolution 274, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The resolution (S. Res. 274) was read, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Patents of the Senate is hereby empowered to have printed for its use 700 additional copies of Monograph 31 of the Temporary National Economic Committee relative to patents and free enterprise.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

EXECUTIVE MESSAGES REFERRED

As in executive session.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LEGISLATIVE PROGRAM

Mr. McKELLAR. Mr. President, if there is nothing further—

Mr. WHITE. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. WHITE. I should like to ask the Senator from Tennessee what the program for tomorrow is.

Mr. McKELLAR. The Senate will meet tomorrow, and I understand there are several small matters to come up. I myself do not know exactly what they are.

Mr. WHITE. Are any appropriation bills to come up?

Mr. McKELLAR. No appropriation bills are to come up tomorrow. It may be that we shall have a conference report. I hope we shall.

Mr. WHITE. On what bill will the conference report be made?

Mr. McKELLAR. On the first deficiency appropriation bill, which the Senate has passed today.

Mr. WHITE. Very well.

RECESS

Mr. McKELLAR. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 29, 1944, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 28 (legislative day of February 7), 1944:

DIPLOMATIC AND FOREIGN SERVICE

Walter C. Dowling, of Georgia, now a Foreign Service officer of class 7 and a secretary in the Diplomatic Service, to be also a consul of the United States of America.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO SIGNAL CORPS

Lt. Col. George Francis Wooley, Jr., Field Artillery (temporary colonel), with rank from December 11, 1942.

TO FIELD ARTILLERY

First Lt. Bidwell Moore, Infantry (temporary captain), with rank from June 11, 1943.

TO INFANTRY

Second Lt. Thomas Wilson Sharkey, Coast Artillery Corps (temporary major), with rank from June 11, 1941.

TO AIR CORPS

Second Lt. John Metcalf Broderick, Coast Artillery Corps (temporary first lieutenant), with rank from June 1, 1943.

Second Lt. Lyle Marvin Lappin, Infantry (temporary first lieutenant), with rank from January 19, 1943.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 28, 1944

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. McCormack.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou by whom we come to the eternal God, teach us the pathway of prayer; so often the clouds interrupt the vision and we fail to reach the mount. Thy inspiration is not confined to temples made with hands; we praise Thee that the doors of communion and fellowship are more than we can number or understand. Graciously accept us and breathe upon us Thy spirit of brotherhood. Do Thou acknowledge us to be one with the Father and grant that weakness may be made strength according to Thy promise.

Dear Lord, in this shuddering earth with its deep-rooted evils, arm us with the truth that Thy spiritual forces are infinitely more potent than that which is beheld by mortal eyes. Allow not our trust to collapse in the recoil of inaction. With Thy timeless truth stealing into the hearts of men, O take them out of their old tragic ways and lift them above

themselves. Let plans for self and comfort be crucified on the cross of conviction and use their lives fully from dawn to sunset in the intensity of a mighty faith. Help us all to seek the road which the Lord hath ordained for them who tread the mill of sacrifice and service. In the name of our Saviour who for the joy that was set before Him endured the cross. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a document entitled "Outline of Problems of Demobilization in California," by the California State Chamber of Commerce. It will take over three pages. I have an estimate from the Public Printer in the amount of \$135. I ask that this be included in the RECORD, notwithstanding the estimate of the Public Printer.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SULLIVAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article on prices of gold and silver in foreign markets induce confidence in United States advance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. LANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix of the RECORD on four different matters, and in the first to include an editorial which appeared in the Boston Daily Globe on March 17 of this year entitled "Light on O. P. A."; in the second to include an article that appeared in the Pilot, published in the city of Boston, Mass., on March 18 of this year, entitled "After They Leave the Fox Holes"; in the third to include an article that appeared in the Jeffersonian, published in Boston, Mass., entitled "Democrat of the Month," which refers to Mr. Eugene T. Kinnally, secretary to majority leader, Congressman JOHN W. MCCORMACK; and in the fourth to include a speech that I delivered before the Chelsea Scientist Emergency Council, Chelsea High School auditorium, Chelsea, Mass., on March 22.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(Mr. Mcgregor asked and was given permission to extend his remarks in the RECORD.)

Mr. POULSON. Mr. Speaker, I have three unanimous-consent requests: One, to revise and extend my remarks in the RECORD and include therein an editorial from the Los Angeles Daily News and also to include a letter from the United States Department of Agriculture, Agricultural Adjustment Administration, as well as affidavits and letters from the California Cattlemen's Association, all of it on the subject matter of coercion

which has been brought up on the floor recently in the last bill presented. The Government Printing Office has estimated that this will cost \$105. Notwithstanding the estimate of the Public Printer, I ask that this be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

FOOD RATIONING

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTLEY. Mr. Speaker, I have here an advertisement which says, "Buy All You Want. Rationing Suspended. No Coupons. Buy Your Favorite Roasts, Steaks, Cuts, Prime Commercial Beef, Sirloin Steaks, 39 Cents a Pound. Round Steak, 35 Cents a Pound. Short Rib Roast, 29 Cents a Pound." In addition, there is listed almost every kind of meat. No points are necessary. No black market prevails.

Do not become jubilant about this, however, because it does not come from a paper in the United States. It is from a Canadian paper. I rise to ask the question: If Canada, under efficient management, can do this with meat and shoes, and can give their motorists a better break in gasoline allowances than we get in the United States, and when we further consider that much of these products come from the United States; when are we going to see an end to administrative muscle-dancing on rationing in the United States, and some common sense put into the program?

EXTENSION OF REMARKS

Mr. WILSON. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD an article entitled "Inside Your Congress," written by the Honorable Samuel B. Pettengill, former Member from the Third Congressional District of Indiana.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SHORTAGE OF HIDES

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I am pressed to take the floor today not to alarm this House but to point out to the individual Members that before long your constituents are going barefooted, and I say that because 4,000,000 hides—

Mr. RANKIN. Mr. Speaker, if the gentleman will yield, the weather will be warm soon.

Mr. EDWIN ARTHUR HALL. That is all right, but 4,000,000 hides are necessary to make the shoes which must be